

**Royal Cushion Vinyl Products Limited**

Cin no: L24110MH1983PLC031395

"Shlok" 60 – CD,

Govt. Industrial Estate, Charkop,  
Kandivali (W), Mumbai – 400 067

Tel: + 91 22 28603514, 16

Website: [www.rcvp.in](http://www.rcvp.in)Email: [legalho83@gmail.com](mailto:legalho83@gmail.com)**September 03, 2024**

The financial details and capital evolution of the transferee company for the previous 3 years as per the audited statement of Accounts:

**Name of the Company:** Royal Cushion Vinyl Products Limited ("Transferee Company")

	Amount in ₹ (in lakhs)			
	As per Unaudited limited Review Financial	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	For the period ended June 30, 2024	2023-24	2022-23	2021-22
Equity Paid up Capital	3,658.85	3,658.85	1,206.72	1,206.72
Reserves and surplus	(6,691.53)	(6,627.60)	(41,565.64)	(41,576.18)
Carry forward losses (Refer Note 1)	(19,439.84)	(19,420.51)	(48,849.72)	(48,860.27)
Net Worth	(3,032.69)	(2,968.76)	(40,358.92)	(40,369.47)
Miscellaneous Expenditure	-	-	-	-
Secured Loans	1,573.93	1,633.16	25,117.11	25,378.91
Unsecured Loans	5,007.72	4,526.49	7,338.57	5,079.95
Fixed Assets	4,529.09	4,588.50	1,086.18	1,193.92
Income from Operations	1,614.64	5,470.69	5,209.25	6,896.87
Total Income	1,674.38	6,675.73	7,075.14	6,942.10
Total Expenditure	1,691.91	6,128.70	7,055.71	8,489.93
Profit before Tax	(17.52)	29,420.86	19.44	4,713.41
Profit after Tax	(17.52)	29,420.86	19.44	4,713.41
Cash profit (Refer Note 2)	5.00	29,534.11	148.00	4,824.34
EPS	(0.17)	138.48	0.16	39.06
Book value per share (Refer Note 3)	(8.29)	(8.11)	(334.45)	(334.54)

**Note:**

- 1) Debit Balance of Profit and Loss has been shown under carry forward losses
- 2) Cash Profit is calculated after adding back Depreciation and Amortization expense to Profit after Tax.
- 3) Book value per share is calculated by dividing total shareholders' fund by the total number of equity shares outstanding as at the year end.

For Royal Cushion Vinyl Products Ltd.

Authorised Signatory / Director



# MANEK & ASSOCIATES

CHARTERED ACCOUNTANTS

A-102, Universal Paradise, Nanda Parkar Road, Vile Parle (East), Mumbai - 400 057.

Offi. # 4600 7525

# 2618 5110

shailesh.manek@gmail.com

shailesh@camanek.com

www.camanek.com

**SHAILESH MANEK**

B.Com.(Hons), Grad. C.W.A., F.C.A.

Cell: +91 93222 26311

**MITTUL B. DALAL**

B.Com. A.C.A

Cell: +91 80973 74277

Review report to  
The Board of Directors,  
**M/s. ROYAL CUSHION VINYL PRODUCTS LIMITED**

We have reviewed the accompanying statement of unaudited standalone financial results of **M/s. ROYAL CUSHION VINYL PRODUCTS LIMITED** for the period ended **June 30, 2024**.

This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For MANEK AND ASSOCIATES  
Chartered Accountants**

Firm's Registration No.:126679W



*SHAILESH MANEK*  
(SHAILESH MANEK)

Partner

Membership Number:034925

UDIN: 24034925BKGELR3685

MUMBAI

Dated:13/08/2024



ROYAL CUSHION VINYL PRODUCTS LIMITED		
Regd. Office : 60 CD Shlok Govt. Ind. Estate, Charkop, Kandivali (West), Mumbai-400 067		
CIN : L24110MH1983PLC031395 ; Website: www.rcvp.in ; Email: legalho83@gmail.com		
STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT 30th JUNE 2024		
(Amount in Lakh Rs.)		
Particulars	As at 30.06.2024 (Unaudited)	As at 31.03.2024 (Audited)
<b>ASSETS</b>		
<b>(1) Non-current Assets</b>		
(a) Property Plant and Equipment	4,529.09	4,588.50
(b) Right of use assets	75.44	82.40
(c) Capital Work-In-Progress	191.04	153.31
(d) Investment Property	10.20	10.20
(e) Financial Assets		
(i) Investments	3.92	3.80
(ii) Other Financials Assets	101.98	100.55
<b>Total Non Current assets</b>	<b>4,911.68</b>	<b>4,938.76</b>
<b>(2) Current Assets</b>		
(a) Inventories	913.20	888.74
(b) Financial Assets		
(i) Trade Receivables	768.53	641.04
(ii) Cash and Cash Equivalents	53.99	101.91
(iv) Loans	22.15	4.16
(c) Other Current Assets	754.03	706.38
(d) Current Tax Assets	27.59	45.35
<b>Total Current Assets</b>	<b>2,539.51</b>	<b>2,387.58</b>
<b>TOTAL ASSETS</b>	<b>7,451.19</b>	<b>7,326.34</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share Capital	3,658.85	3,658.85
(b) Other Equity	(6,691.53)	(6,627.60)
<b>TOTAL EQUITY</b>	<b>(3,032.69)</b>	<b>(2,968.76)</b>
<b>Liabilities</b>		
<b>(1) Non-current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	1,326.61	1,385.83
(ii) Lease Liabilities	57.02	63.78
(b) Provisions	178.31	173.68
<b>Total Non current liabilities</b>	<b>1,561.95</b>	<b>1,623.30</b>
<b>(2) Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	5,255.05	4,773.81
(ii) Lease Liabilities	28.08	28.08
(iii) Trade Payables		
- Due to Micro, Small and Medium Enterprises	124.50	159.90
- Others	3,163.18	3,421.92
(b) Other current liabilities	325.69	262.65
(c) Provisions	25.44	25.44
<b>Total Current liabilities</b>	<b>8,921.93</b>	<b>8,671.79</b>
<b>TOTAL LIABILITIES</b>	<b>10,483.87</b>	<b>10,295.10</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,451.19</b>	<b>7,326.34</b>

For Royal Cushion Vinyl Products Ltd.

  
Authorised Signatory / Director

ROYAL CUSHION VINYL PRODUCTS LIMITED					
Regd. Office : 60 CD Shlok Govt. Ind. Estate, Charkop, Kandivali (West), Mumbai-400 067					
CIN : L24110MH1903PLC031395 ; Website: www.rcvp.in ; Email: legalho83@gmail.com					
STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE, 30 2024					
(Amount in lakh Rs.)					
	Particulars	Quarter ended			Year ended
		30.06.2024 (Unaudited)	30.06.2023 (Unaudited)	31.03.2024 (Audited)	31.03.2024 (Audited)
I	Revenue from operations	1614.64	909.74	1666.37	5,470.69
II	Other incomes	59.74	3.58	99.36	1,205.03
III	<b>Total income (I+II)</b>	<b>1,674.38</b>	<b>913.32</b>	<b>1,765.74</b>	<b>6,675.73</b>
IV	<b>Expenses:</b>				
	Cost of materials consumed	1040.53	674.66	1015.53	3,945.19
	Changes in inventories of finished goods, stock in trade and work in progress	9.02	109.20	(6.60)	(226.77)
	Employee benefits expense	146.37	130.14	171.40	558.93
	Finance costs	58.12	67.16	71.18	278.26
	Depreciation and amortization expenses	22.52	35.29	6.91	113.25
	Other expenses	415.35	274.09	393.67	1,459.84
	<b>Total expenses (IV)</b>	<b>1,691.91</b>	<b>1,290.54</b>	<b>1,652.09</b>	<b>6,128.70</b>
V	<b>Profit/(loss) before exceptional items and tax (III-IV)</b>	<b>(17.52)</b>	<b>(377.23)</b>	<b>113.65</b>	<b>547.02</b>
VI	Exceptional Items			6,013.38	28,873.83
VII	<b>Profit/(loss) before tax</b>	<b>(17.52)</b>	<b>(377.23)</b>	<b>6,127.03</b>	<b>29,420.86</b>
VIII	Tax Expense:	-	-	-	-
IX	<b>Profit/(loss) for the period</b>	<b>(17.52)</b>	<b>(377.23)</b>	<b>6,127.03</b>	<b>29,420.86</b>
X	<b>Other Comprehensive Income</b>				
	A Items that will not be reclassified to profit or loss	(46.41)	(2.22)	3,537.47	3,530.80
	(ii) Income tax relating to items that will not be reclassified to profit or loss				
	B (i) Items that will be reclassified to profit or loss				
	<b>Total Comprehensive Income for the period</b>	<b>(46.41)</b>	<b>(2.22)</b>	<b>3,537.47</b>	<b>3,530.80</b>
XI	<b>Total Comprehensive Income for the period (Comprising Profit / (Loss) and Other Comprehensive Income for the period) (IX+X)</b>	<b>(63.93)</b>	<b>(379.45)</b>	<b>9,664.50</b>	<b>32,951.66</b>
XII	Earnings per equity share ( for continuing operations):				
	(1) Basic	(0.17)	(3.13)	28.84	138.48
	(2) Diluted	(0.17)	(3.13)	28.84	138.48
	Paid up Equity share Capital (Face value of Rs. 10/- each)	3,658.85	1,206.72	3,658.85	3,658.85




*mshah*



<b>ROYAL CUSHION VINYL PRODUCTS LIMITED</b> Regd. Office : 60 CD Shlok Govt. Ind. Estate, Charkop, Kandivali (West), Mumbai-400 067 CIN : L24110MH1983PLC031395 ; Website: www.rcvp.in ; Email: legalho83@gmail.com <b>STANDALONE UNAUDITED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED JUNE 30, 2024</b> (Amount in lakh Rs.)		
Particulars	For the Period ended 30.06.2024 (Unaudited)	For the year ended 31.03.2024 (Audited)
<b>A Cash flow from Operating activities</b>		
Net Profit/(Loss) before tax	(17.52)	29,420.86
Adjustments for :		
Depreciation	22.52	113.25
Finance cost	58.12	278.26
Remeasurements of the defined benefit plans	(1.81)	8.36
Interest received	7.18	42.49
(-) Profit/Loss on Sale of fixed assets	(42.33)	(1,017.74)
Lease Rent	(10.11)	(39.29)
Share of (Profit) loss from Partnership firm	(0.12)	(2.08)
Unclaimed Liabilities / Balance Written Back	-	(28,873.83)
<b>Operating profit before working capital changes</b>	<b>15.91</b>	<b>(69.73)</b>
Adjustments for :		
(Increase)/Decrease in inventories	(24.46)	(310.36)
(Increase)/Decrease in trade & other receivables	(127.49)	(487.46)
(Increase)/Decrease in loans & advances	(49.32)	(13.60)
Increase/(Decrease) in trade payables	(294.14)	(257.09)
Increase/(Decrease) in other current liabilities	63.04	(587.30)
Increase/(Decrease) in provisions	4.63	(5,706.91)
<b>Cash generated from operation</b>	<b>(427.75)</b>	<b>(7,362.73)</b>
Income Tax paid		
<b>Net Cash from operating activities (A)</b>	<b>(411.84)</b>	<b>(7,432.46)</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	(39.50)	(232.91)
Sale of fixed assets	43.36	1,092.26
Sale/Revaluation of investments	(0.12)	(10.23)
Interest received	(7.18)	(42.49)
Lease rent received	10.11	39.29
Share of Profit from Partnership firm	0.12	2.08
<b>Net Cash Used for Investing Activities (B)</b>	<b>6.78</b>	<b>848.01</b>
<b>C) Cash flow from financing activities</b>		
Borrowing	415.25	2,492.39
Proceeds from issuances of Share Capital including Premium	-	4,438.50
Lease rental paid	(10.07)	(18.88)
Interest paid	(48.05)	(259.38)
<b>Net Cash Used from Financing Activities (C)</b>	<b>357.14</b>	<b>6,652.63</b>
Net Increase in cash and cash collection ( A+B+C)	(47.91)	68.19
Cash & Cash Equivalents at the beginning of the year	101.91	33.72
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>53.99</b>	<b>101.91</b>
<b>Cash and Cash Equivalents shall comprise of:-</b>		
Particulars		
a. Balances with banks	52.19	93.88
b. Cash on hand	1.81	8.02
<b>Total</b>	<b>53.99</b>	<b>101.91</b>

For Royal Cushion Vinyl Products Ltd.

  
 Authorised Signatory / Director

**Notes:-**

- 1 The above Standalone audited financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meetings held on 13/08/2024. The above financial results for the quarter ended June 30, 2024 and year ended March 31, 2024 have been audited by Manek & Associates , Chartered Accountants, on which they have issued unmodified opinion. The financial results for the quarter ended June 30,2023 was audited by Bipin & Co , Chartered Accountants, on which they had issued unmodified opinion.
- 2 These statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 (Ind AS) prescribed under Section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules 2015 and Companies (Indian Accounting Standard) (Amendment) Rules 2016.
- 3 Exceptional items in year ended 31.03.2024 represents :
  - 3.1 written back of outstanding dues of Rs. 22860.44 lacs : Finquest Financial Solutions Private Limited ("FFSPL") , FFSPL had taken over the loans from SICOM & Saraswat Co-op bank. Pursuant to time to time deliberations and negotiations with FFSPL, the Company has finally negotiated with FFSPL to make a full and final payment of Rs. 860.00 lacs ("Settlement Amount") towards settlement of all outstanding dues and accordingly, completed the full payment of the entire Settlement Amount during July 2023. Pursuant thereto, the Company has received the No Dues Certificate dated July 14, 2023 from FFSPL confirming no outstanding dues in the loan accounts of the Company with FFSPL. Accordingly, the said loan accounts stands settled in the books of the Company and outstanding balance amount lying in books, which is not payable has been written back in the books. The required forms CHG-4 are filed with Registrar of Companies and current charges outstanding against above is nil.
  - 3.2 written back of outstanding Provisions for Custom Duty including interest of Rs. 5683.95 lacs : 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 were permitted, and they are required to be used in manufacturing of goods for export and export of goods has to be effected within the time allowed in terms of such scheme. In the past ( Prior to year 2000), the Company had availed benefit of such licenses from time to time and it had also fulfilled its export obligations as per the conditions of such scheme in many of the licenses but in some cases such exports were not done . The said matter relates back to the period of more than 25 years and as such, the management of the company, based on an expert opinion , evaluated its specific obligations which may still subsists, if any. Based on the comprehensive evaluation and expert opinion, the provision made in earlier years has been written back .
  - 3.3 Unclaimed Liabilities/Balances written back Rs. 329.44 lacs : This represents balances of various parties ,which are no longer payable, have been written back.
- 4 During the pervious year , the Company has done revaluation of it's Land as per the provisions of IND AS. The revalued figure is Rs. 3569.00 lacs and after reducing the book value, revaluation reserve created is Rs. 3522.45 lacs. This value is credited in the Statement of Profit & Loss under the heading Other Comprehensive Income.
- 5 In the year 2023-24, the Company had completed preferential issue of i) 66,21,250 equity shares of the Company having face value of INR 10/- each, to members of the Promoters and Promoter Group at an issue price of INR 40/- per equity share including premium of INR 30/- per equity share. Such preferential issue is against the conversion of their outstanding balance of unsecured loans given by promoters and promoters group to the Company ii) 1,79,00,000 equity shares of the Company having face value of INR 10/- each at par, to private investors (non- Promoters) on preferential basis .Further, these shareholders will have voting rights at par with existing shareholders. The above shares are allotted in the meeting of Board of Directors on the Company on 17.11.2023. The Company had also received Trading approval from BSE Ltd for these preferential shares vide letter dated 26.01.2024 from BSE Ltd.
- 6 The Board of the Directors of the Company in its Board Meeting held on 04th January, 2022, has considered and approved draft Scheme of Arrangement ("Scheme") in the nature of merger / amalgamation of , Royal Spinwell and Developers Private Limited, a group company with the Company (Royal Cushion Vinyl Products Limited) , , with effect from the Appointed Date of October 1, 2021 under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Company received the NOC letter from BSE Ltd as required under Regulation 37 of SEBI, LODR and company had filled the application in NCLT in Oct 2023. Pursuant to the order dated December 15, 2023 read with the addendum order dated December 22, 2023 from Hon'ble National Company Law Tribunal, Mumbai Bench, Mumbai ("NCLT") , the Company has called meeting of it's Shareholders and Unsecured Creditors on 12.02.2024 . The Company has filed petition to NCLT alongwith all the documents on 12th April, 2024 and awaiting for the next hearing date. The coming into effect of the Scheme is subject to receipt of necessary statutory, regulatory and contractual approvals, permissions, consents, sanctions, exemption as may be required under applicable laws, regulations or guidelines in relation to the Scheme. Pending the coming into effect of the Scheme, these financial statements are prepared without giving effect to the provisions of the Scheme and as such, these financial statements are subject to revision / modification upon coming into effect of the Scheme.
- 7 Depreciation for quarter ended March 24 is balancing figure and lower, as the depreciation in last three quarters of pervious year were charged in excess by Rs. 22 lacs.
- 8 The other income includes Rs. 42.33 lacs ( Previous year Rs. 1065.21 lacs ) towards profit on sale of fixed assets.
- 9 Provision of Income tax is not done due to b/f losses. Further the Company proposes to opt for new income tax resigm u/s 115BAA. Hence MAT is also not provided for.
- 10 The company has only one business segment i.e. PVC Flooring/Leathercloth.

Place: - Mumbai  
Date - 13/08/2024



For Royal Cushion Vinyl Products Limited



Mahesh Shah  
Managing Director  
00054351





# MANEK & ASSOCIATES

CHARTERED ACCOUNTANTS

A-102, Universal Paradise, Nanda Parkar Road, Vile Parle (East), Mumbai - 400 057.

Offi. # 4600 7525

# 2618 5110

shailesh.manek@gmail.com

shailesh@camanek.com

www.camanek.com

**SHAILESH MANEK**

B.Com.(Hons), Grad. C.W.A.,F.C.A.

Cell: +91 93222 26311

**MITTUL B. DALAL**

B.Com. A.C.A

Cell: +91 80973 74277

## **Independent Auditor's Report**

To,

**The Members,**

**M/s. ROYAL CUSHION VINYL PRODUCTS LIMITED**

Report on the Financial statements

We have audited the accompanying financial statements of **M/s.ROYAL CUSHION VINYL PRODUCTS LIMITED** ("the Company"), which comprise the balance sheet as at 31 March, 2024, the statement of profit and loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes to the financial statements a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the financial statements").

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including Indian Accounting Standards("Ind AS") specified u/s 133 of the Act, of the state of affairs of the Company as at 31 March, 2024 and its profit(financial performance including other comprehensive income, changes in equity) and its cash flows and the changes in equity for the year ended on that date.

### **Basis for Opinion:**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

# MANEK & ASSOCIATES

## **Material Uncertainty Related to Going Concern**

We draw your attention to Note 43 of the financial statements, which indicates that the Company's net worth has got eroded as of March 31, 2024 and the Company's current liabilities exceeded its current assets. Our report is not modified in respect of this matter.

## **Emphasis of Matter**

- 1) We draw your attention to amount written back of outstanding dues of Finquest Financial Solutions Private Limited ("FFSPL") of Rs.22860.44 lacs. Finquest Financial Solutions Private Limited ("FFSPL"), FFSPL had taken over the loans from SICOM & Saraswat Co-op bank. Pursuant to time to time deliberations and negotiations with FFSPL, the Company has finally negotiated with FFSPL to make a full and final payment of Rs.860 lacs ("Settlement Amount") towards settlement of all outstanding dues and accordingly, completed the full payment of the entire Settlement Amount during July 2023. Pursuant thereto, the Company has received the No Dues Certificate dated July 14, 2023 from FFSPL confirming no outstanding dues in the loan accounts of the Company with FFSPL. Accordingly, the said loan accounts stands settled in the books of the Company and outstanding balance amount lying in books, which is not payable has been written back in the books and current charges outstanding against above is nil and same is added in Exceptional items.

### **(Refer Note No 34.1 in the financial statements)**

- 2) We Draw your attention to amount written back of outstanding Provisions for Custom Duty including interest of Rs.5683.95 lacs: 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 were permitted, and they are required to be used in manufacturing of goods for export and export of goods has to be effected within the time allowed in terms of such scheme. In the past ( Prior to year 2000), the Company had availed benefit of such licenses from time to time and it had also fulfilled its export obligations as per the conditions of such scheme in many of the licenses but in some cases such exports were not done . The said matter relates back to the period of more than 25 years and as such, the management of the company, based on an expert opinion , evaluated its specific obligations which may still subsists, if any. Based on the comprehensive evaluation and expert opinion, the provision made in earlier years has been written back and same is added in Exceptional items.

### **(Refer Note No 34.2 in the financial statements)**

- 3) We Draw your attention to unclaimed Liabilities/Balances written back of Rs. 329.44 lacs represents balances of various parties, which are no longer payable, have been written back. The same is added in Exceptional items.



# MANEK & ASSOCIATES

**(Refer Note No 34.3 in the financial statements)**

- 4) We Draw your attention that during the year under review, the Company has done revaluation of its Land as per the provisions of IND AS. The revalued figure is Rs.3569.00 lacs and after reducing the book value, revaluation reserve created is Rs.3522.45 lacs. This value is credited in the Statement of Profit & Loss under the heading Other Comprehensive Income

**(Refer Note No 3 in the financial statements)**

- 5) We Draw your attention that the Company has completed preferential issue of i) 66,21,250 equity shares of the Company having face value of Rs.10/- each, to members of the Promoters and Promoter Group at an issue price of Rs.40/- per equity share including premium of Rs.30/- per equity share. Such preferential issue is against the conversion of their outstanding balance of unsecured loans given by promoters and promoters group to the Company ii) 1,79,00,000 equity shares of the Company having face value of Rs.10/- each at par, to private investors (non- Promoters) on preferential basis . Further, these shareholders will have voting rights at par with existing shareholders. The above shares are allotted in the meeting of Board of Directors on the Company on 17.11.2023. The Company has also received Trading approval from BSE Ltd for these preferential shares vide letter dated 26.01.2024 from BSE Ltd.

**(Refer Note No 12.2 in the financial statements)**

- 6) We Draw your attention that the company has sold its land parcels comprising of Factory Land. Profit on sale of assets Rs. Rs.1065.21 lacs is grouped under other income.

**(Refer Note No 23 in the financial statements)**

**Our conclusion on the financial statements is not modified in respect of the matters described in paragraph 1 to 6 above**

# MANEK & ASSOCIATES

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Report	How was the matter addressed in our audit
<p><b>Revenue Recognition</b></p> <p>Revenue is recognized upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods. Revenue is measured based on transaction price, which is the consideration, adjusted for rebates, discounts and incentives as also estimated sales returns.</p> <p>Revenue is one of the key profit drivers and therefore, accounting of revenue is considered as a key audit matter.</p> <p>[Refer Note 2(a) to the financial statements]</p>	<p><b>Our audit procedures, among other things, included the following:</b></p> <ul style="list-style-type: none"> <li>• Considered the appropriateness of the Company's accounting policies regarding revenue recognition</li> <li>• Testing controls, automated and manual, around dispatches/deliveries/shipments inventory reconciliations and process of confirmation of receivable balances, testing for cut-offs and analytical review procedures.</li> <li>• Assessed the disclosures in accordance with the requirements of Ind AS 115 on "Revenue from Contracts with Customers".</li> </ul>
<p><b>Valuation of inventories</b></p> <p>The Company has complex product manufacturing process and thus, the overhead absorption over each process is quite complex and more particularly, to have the basis of absorption. The Company has worked out the overhead absorption cost rate based on the consumption of electricity and other utility resources of each process and apply the same for all other overheads.</p> <p>Due to significance of arriving at the overhead absorption rate for the</p>	<p><b>Our audit procedures, among other things, included the following.</b></p> <ul style="list-style-type: none"> <li>• Evaluated the appropriateness of the basis applied to arrive at the overhead absorption rate;</li> <li>• Examined the workings of the absorption of over heads to arrive at the cost of inventories.</li> <li>• Our audit methodology involves process adopted to ascertain and evaluate the methods used are reasonable and absorbs overheads in an appropriate &amp; logical manner.</li> </ul>



# MANEK & ASSOCIATES

<p>valuation of inventories, it is considered to be a key audit matter.</p> <p>[Refer Note 2(d) to the financial statements]</p> <p><b>Revaluation of Land</b></p> <p>The Company has done revaluation of its Land as per the provisions of IND AS.</p> <p>The revalued figure is Rs. 3569.00 lacs and after reducing the book value, revaluation reserve created is Rs. 3522.45 lacs. This value is credited in the Statement of Profit &amp; Loss under the heading Other Comprehensive Income</p> <p>Due to the significance of the amounts involved, it is considered to be a key audit matter.</p> <p>[Refer Note 3 to the financial statements]</p>	<ul style="list-style-type: none"><li>• Assessed the disclosures in accordance with the requirements of Ind AS 2 on “Inventories”.</li></ul> <p><b>Our audit procedures, among other things, included the following.</b></p> <ul style="list-style-type: none"><li>• Evaluated the appropriateness of the basis applied.</li><li>• Examined the workings and reviewed the valuation report from independent valuer.</li><li>• Our audit methodology involves process adopted to evaluate the methods used are reasonable in an appropriate &amp; logical manner.</li><li>• Assessed the disclosures in accordance with the requirements of Ind AS 16 on “Property Plant and Equipment”.</li></ul>
---	---

## **Information Other than the Financial statements and Auditor’s Report Thereon**

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including annexure to Board’s Report and Shareholder’s Information, but does not include the financial statements and our auditor’s report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

# MANEK & ASSOCIATES

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation and presentation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows statement, statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified prescribed under Section 133 of the Act, (read with Rule 7 of 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Financial Statements by the Directors of the Company, as aforesaid.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements, Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance.



# MANEK & ASSOCIATES

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

# MANEK & ASSOCIATES

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## **Other Matter**

The financial statements of the Company for the year ended 31 March 2023 were audited by the predecessor auditor, Bipin & Co, who have expressed an unmodified opinion on those financial statements vide their audit report dated 29<sup>th</sup> May , 2023.

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

As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

- (1) As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The balance sheet, the statement of profit and loss and the statement of cash flow dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



# MANEK & ASSOCIATES

(e) On the basis of the written representations received from the directors as on 31 March, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) 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 A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

(g) With respect to other matter to be included in the Auditor’s Report in accordance with the requirement of section 197(16) of the Act, as amended in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigation on its financial position in financial statements—Refer Note 36 to the financial statements.

ii. The Company did not have any long-term contract including derivative contract for which there are any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv.(a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

# MANEK & ASSOCIATES

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The Board of Directors of the Company have not proposed any dividend for the year and therefore provisions of rule 11(f) are not applicable.

(vi) As stated in note 50 to the financial statements and based on our examination which included test checks, except for instance mentioned below, the Company, in respect of financial year commencing on 1 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exception given below:

<b>Nature of exception noted</b>	<b>Details of Exception</b>
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software	The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of all accounting records by the Company



# MANEK & ASSOCIATES

- (2). As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For MANEK & ASSOCIATES**  
**Chartered Accountants**  
**Firm's registration number: 0126679W**



*Shailesh Manek*  
**(SHAILESH MANEK)**

**Partner**

**Membership number.034925**  
**UDIN :- 24034925BKGEU1320**

**Mumbai**  
**Dated: 29<sup>th</sup> May, 2024**



# MANEK & ASSOCIATES

CHARTERED ACCOUNTANTS

A-102, Universal Paradise, Nanda Parkar Road, Vile Parle (East), Mumbai - 400 057.

Offi. # 4600 7525

# 2618 5110

shailesh.manek@gmail.com

shailesh@camanek.com

www.camanek.com

**SHAILESH MANEK**

B.Com.(Hons), Grad. C.W.A.,F.C.A.

Cell: +91 93222 26311

**MITTUL B. DALAL**

B.Com. A.C.A

Cell: +91 80973 74277

## **Annexure - A 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 **M/s.ROYAL CUSHION VINYL PRODUCTS LIMITED** ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements of the company 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 with reference to financial statements, 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 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.



# MANEK & ASSOCIATES

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to 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 judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

# MANEK & ASSOCIATES

## 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 31 March, 2024, 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 MANEK & ASSOCIATES**  
**Chartered Accountants**  
**Firm's registration number:126679W**



**Mumbai**  
**Dated: 29<sup>th</sup> May, 2024**

A handwritten signature in blue ink that reads "Shailesh Manek".

**(SHAILESH MANEK)**  
**Partner**  
**Membership number:034925**  
**UDIN :- 24034925BKGEU1320**





# MANEK & ASSOCIATES

CHARTERED ACCOUNTANTS

A-102, Universal Paradise, Nanda Parkar Road, Vile Parle (East), Mumbai - 400 057.

Offi. # 4600 7525

# 2618 5110

shailesh.manek@gmail.com

shailesh@camanek.com

www.camanek.com

**SHAILESH MANEK**

B.Com.(Hons), Grad. C.W.A., F.C.A.

Cell: +91 93222 26311

**MITTUL B. DALAL**

B.Com. A.C.A

Cell: +91 80973 74277

## Annexure - B to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2024, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The company has a phased programme of physical verification of its property, plant and equipment so as to cover all assets once in three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets. In accordance with this program, certain Property, plant and equipment were verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such 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 factory building and land thereof, the title deeds of immovable properties are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has carried out revaluation of its asset class namely Land based on the report from an independent valuer.

Class of Asset	Cost as on 01.04.2023	Revalued Amount	Remarks
Land	Rs.46.55 Lacs	Rs.3569.00 Lacs	Based on the Valuation report received from independent valuer.

# MANEK & ASSOCIATES

- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and the discrepancies noticed on verification between the physical stocks and the book records were not material.
- (b) The company has not availed any working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and therefore provision of clause 3(ii)(b) of the order are not applicable to the company.
- (iii) The company has not granted any loan to parties covered in the register maintained under section 189 of the Companies Act, 2013 and therefore, the provisions of clause 3(iii) ,(iii)(a)(A)&(B) (b), (c) ,(d),(e) and (f) of the order are not applicable to the company..-
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or provided any guarantees or security in respect of any loans to any party covered under section 185 and 186 of the Companies Act, 2013 and therefore, the provisions of clause 3(iv) of the order is not applicable.
- (v) The Company has not accepted any deposits from the public and consequently the directives issued by the Reserve Bank of India, the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, and the Rules framed there under are not applicable except the explanation given under note no .17 in the financial statements, and also no orders were passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal and therefore clause 3(v) of the order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



# MANEK & ASSOCIATES

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is not generally been regular in depositing provident fund contribution and employees state insurance, with the appropriate authorities, though the delays in deposit have not been serious. Further, the company is generally been regular in depositing with the appropriate authorities undisputed statutory dues including goods and service tax, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of goods and service tax, provident fund, employees` state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of goods and service tax, provident fund, employees` state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues which have not been deposited on account of any dispute except as per details given below:

<b>Name of the Statute</b>	<b>Nature of Dues</b>	<b>Amount (Rs.) In Lacs</b>	<b>Period to which the amount relates</b>	<b>Forum where the dispute is pending</b>
Goods & Service Tax Act ,2017	GST	14.92	2020-21	SGST Appeals Vadodara.
The FERA/FEMA ACT	Penalty	149.39	2002-03	Appellate Authority FERA, New Delhi
The Income Tax Act	Penalty	46.00	2003-04	CIT (Appeal), Mumbai
The Custom Act	Custom Duty	193.07	1996	CESTAT, Mumbai

- (viii) In our opinion and according to the information and explanations given to us, there was no such transaction found in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), therefore, the provision of clause 3(viii) of the order is not applicable.

# MANEK & ASSOCIATES

- (ix) (a) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a bank during the year.
- (b) According to the information and explanation given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority and therefore, the provision of clause 3 (ix)(b) of the Order to that extent is not applicable.
- (c) According to the information and explanations given to us and on the basis of our audit procedures, the term loan taken by the company were applied for the purpose for which the loans were obtained.
- (d) According to information and explanation given to us and the procedures performed by us, and on an overall examination of the financial statement of the Company, we report that the company has used funds raised on short-term basis aggregating to Rs.6,284.22 lacs for long-term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures and hence the provision of clause 3 (ix)(e) of the order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associates companies and therefore the provision of clause (ix)(f) of the order not applicable.
- (x) (a) In our opinion and according to the information and explanations given to us, the company has utilised the money raised by way of further public offer for the purpose for which they are raised. The company has not raised any funds by issue of debt instruments.
- (b) The Company has made preferential allotment of its equity shares to the members of the Promoter and Promoter Group.
- (xi) (a) According to information and explanations given to us there were no fraud by the company or any fraud on the Company has been noticed or reported during the year and therefore, the provision of clause 3 (xi)(a) of the Order is not applicable.



# MANEK & ASSOCIATES

- (b) According to information and explanations given to us no report under sub-section (12) of section 143 of the companies Act has been filed by any auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government and therefore the provision of clause (xi)(b) of the order not applicable.
- (c) As represented to us by the management, there were no whistle-blower complaints received by the company during the year.
- (xii) In our opinion, the company is not a chit fund or a nidhi and therefore, the provisions of clause 3(xii)(a), (b) & (c) of the Order are not applicable to the company.
- (xiii) According to information and explanation given to us, all the transactions with related parties are in compliance with the provisions of sections 177 and 188 of Companies Act, 2013 where applicable. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standards.
- (xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit report, conducted by the internal department of the company, issued till date, for the period under audit.
- (xv) During the financial year, the Company has not entered into any non-cash transactions with directors or persons connected with him and therefore, the provisions of clause 3(xv) of the Order are not applicable.
- (xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and therefore, the provisions of clause 3(xvi)(a),(b),(c) and (d) of the Order are not applicable to the company.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit as well as in the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors during the year and based on the information and explanations given to us by the management and the response received by us pursuant to our communication with the outgoing auditors, there have been no issues, objections or concerns raised by the outgoing auditors.

# MANEK & ASSOCIATES

- (xix) According to information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, and based on our examination of the evidence supporting and assumption, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) During the year the provision of Section 135, as regards Corporate Social Responsibility (CSR), of the companies Act, 2013 is not applicable therefore, the provision of clause 3(xx)(a) & (b) of the order are not applicable.
- (xxi) In our opinion, preparation of consolidated financial statements are not required and hence provisions of clause (xxi) of the order are not applicable.

**For MANEK & ASSOCIATES**  
**Chartered Accountants**  
**Firm's registration number: 0126679W**



*Sh. Shailesh Manek*

**(SHAILESH MANEK)**

**Partner**

**Membership number.034925**

**UDIN :- 24034925BKGEGU1320**

**Mumbai**

**Dated:29<sup>th</sup> May, 2024**



Royal Cushion Vinyl Products Limited

Annual Accounts

2023-24

ROYAL CUSHION VINYL PRODUCTS LIMITED  
Balance Sheet as at 31<sup>st</sup> March, 2024

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2024	As at 31st Mar, 2023
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property Plant and Equipment	3	4,588.50	1,086.18
(b) Right of use assets	3	82.40	159.28
(c) Capital Work-in-Progress	3	153.31	-
(d) Investment Property	3	10.20	21.37
(e) Financial assets			
(i) Investments	4	3.80	(6.43)
(ii) Other Financial Assets	5	100.55	100.55
<b>Total Non Current assets</b>		<b>4,938.76</b>	<b>1,360.95</b>
<b>(2) Current Assets</b>			
(a) Inventories	6	888.74	578.38
(b) Financial Assets			
(i) Trade Receivables	7	641.04	153.58
(ii) Cash and Cash Equivalents	8	101.91	33.72
(iii) Loans	9	4.16	4.37
(c) Other Current Assets	10	706.38	701.80
(d) Current Tax Assets	11	45.35	36.12
<b>Total current assets</b>		<b>2,387.58</b>	<b>1,507.97</b>
<b>TOTAL ASSETS</b>		<b>7,326.34</b>	<b>2,868.92</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	12	3,658.85	1,206.72
(b) Other Equity	13	(6,627.60)	(41,565.64)
<b>TOTAL EQUITY</b>		<b>(2,968.76)</b>	<b>(40,358.92)</b>
<b>Liabilities</b>			
<b>(1) Non-current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14	1,385.83	24,890.90
(ii) Lease Liabilities	15	63.78	142.87
(b) Provisions	16	173.68	5,880.78
<b>Total Non-current liabilities</b>		<b>1,623.30</b>	<b>30,914.54</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	4,773.81	7,564.78
(ii) Lease Liabilities	18	28.08	34.40
(iii) Trade Payables	19		
- Due to Micro and Small Enterprises		159.90	183.48
- Others		3,421.92	3,655.44
(iv) Other Financial Liabilities			
(b) Other current liabilities	20	262.65	849.95
(c) Provisions	21	25.44	25.26
<b>Total current liabilities</b>		<b>8,671.79</b>	<b>12,313.30</b>
<b>Total liabilities</b>		<b>10,295.10</b>	<b>43,227.84</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,326.34</b>	<b>2,868.92</b>

The accompanying Notes are an integral part of the Financial Statements

1- 52

As per our report of even date

For and on behalf of Board of Directors

**For MANEK & ASSOCIATES**

Chartered Accountants  
Firm Reg. No. 126679W

**SHAILESH MANEK**  
(Partner)  
Membership No. 034925

Place : MUMBAI  
Date : 29.05.2024



**JAYESH A. MOTASHA**  
Director  
00054236

**DEEPTI PAREKH**  
Company Secretary  
ACS60978

Place : MUMBAI  
Date : 29.05.2024

**AVANI PANDIT**  
Director  
08386003

**VIVEK D MOTASHA**  
Chief Financial officer



**ROYAL CUSHION VINYL PRODUCTS LIMITED**

**Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2024**

(₹ in Lacs)

Particulars	Note No.	for the year ended 31st March,2024	for the year ended 31st Mar,2023
Revenue from Operations	22	5,470.69	5,209.25
Other Incomes	23	1,205.03	1,865.90
<b>Total Income</b>		<b>6,675.73</b>	<b>7,075.14</b>
<b>Expenses</b>			
Cost of Materials Consumed	24	3,945.19	4,364.63
Changes in Inventories of Finished Goods and Work in Progress	25	(226.77)	335.71
Employee Benefits Expense	26	558.93	544.10
Finance Costs	27	278.26	374.92
Depreciation and Amortization Expense	3	113.25	128.56
Other Expenses	28	1,459.84	1,307.79
<b>Total Expenses</b>		<b>6,128.70</b>	<b>7,055.71</b>
Profit/Loss before exceptional items and tax		<b>547.02</b>	<b>19.44</b>
Exceptional Items	34	28,873.83	-
Profit/(Loss) before tax		<b>29,420.86</b>	<b>19.44</b>
Tax Expense:			
(1) Current Tax		-	-
(2) Deferred tax		-	-
Profit/(loss) for the period from continuing operations		<b>29,420.86</b>	<b>19.44</b>
Profit/(loss) from discontinued operations			
Tax expense of discontinued operations			
Profit/(loss) from discontinued operations (after tax)		-	-
<b>Profit/(Loss) for the period after Tax</b>		<b>29,420.86</b>	<b>19.44</b>
<b>Other Comprehensive Income</b>			
A Items that will not be reclassified to profit or loss			
(i) Remeasurement of defined benefit plans		8.36	(8.89)
(ii) Revaluation of Assets( Land)		3,522.45	
(iii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
<b>Total other comprehensive income</b>		<b>3,530.80</b>	<b>(8.89)</b>
<b>Total Comprehensive Income for the period (Comprising Profit / (Loss) and Other Comprehensive Income for the period)</b>		<b>32,951.66</b>	<b>10.55</b>
Earnings per equity share ( for continuing operations):			
(1) Basic	38	138.48	0.16
(2) Diluted	38	138.48	0.16

The accompanying Notes are an integral part of the Financial Statements

1- 52

As per our report of even date

For and on behalf of Board of Directors

**For MANEK & ASSOCIATES**

Chartered Accountants

Firm Reg. No. 126679W

*SLK Manek*

**SHAILESH MANEK**

(Partner)

Membership No. 034925



Place : MUMBAI

Date : 29.05.2024

*Jayesh A. Motasha*

**JAYESH A. MOTASHA**

Director

00054236

*Yest*

**DEEPTI PAREKH**

Company Secretary

ACS60978

Place : MUMBAI

Date : 29.05.2024

*Avani Pandit*

**AVANI PANDIT**

Director

08386003

*Vivek D Motasha*

**VIVEK D MOTASHA**

Chief Financial officer

ROYAL CUSHION VINYL PRODUCTS LIMITED  
STATEMENT OF CASH FLOW

(₹ in Lacs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Tax	29,420.86	19.44
Adjustment for :		
Depreciation	113.25	128.56
Finance Cost	278.26	374.92
Remeasurements of the defined benefit plans A/c	8.36	(8.89)
Interest Received	42.49	1.23
(-) Profit/Loss on Sale of fixed assets	(1,017.74)	(1,858.41)
Lease Rent received	(39.29)	(3.79)
Share of (Profit) loss from Partnership firm	(2.08)	(1.88)
Unclaimed Liabilities / Balance Written Back	(28,873.83)	-
<b>Operating profit before working capital changes</b>	<b>(29,490.59)</b>	<b>(1,368.26)</b>
Adjustment for :	<b>(69.73)</b>	<b>(1,348.83)</b>
A-1 (Increase)/Decrease in inventories	(310.36)	357.36
(Increase)/Decrease in trade & other receivables	(487.46)	191.14
(Increase)/Decrease in loans & advances	(13.60)	(29.46)
Increase/(Decrease) in trade payables	(257.09)	(2,267.61)
Increase/(Decrease) in other current liabilities	(587.30)	(459.21)
Increase/(Decrease) in provisions	(5,706.91)	13.09
<b>Net Cash from operating activities</b>	<b>(7,432.46)</b>	<b>(3,543.52)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(232.91)	(148.61)
Sale of fixed assets	1,092.26	1,887.51
Sale/Revaluation of investments	(10.23)	24.17
Interest Received	(42.49)	(1.23)
Lease Rent received	39.29	3.79
Share of loss from Partnership firm	2.08	1.88
<b>Net Cash Used for Investing Activities</b>	<b>848.01</b>	<b>1,767.52</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowing	2,492.39	2,098.84
Proceeds from issue of Share Capital including Premium	4,438.50	-
Lease rental paid	(18.88)	(11.20)
(Increase)/decrease in Fixed deposit	-	4.83
Interest paid	(259.38)	(363.72)
<b>Net Cash Used from Financing Activities</b>	<b>6,652.63</b>	<b>1,728.75</b>
Net Increase in cash and cash collection ( A+B+C)	68.19	(47.26)
Cash & Cash Equivalents at the beginning of the year	33.72	80.98
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>101.91</b>	<b>33.72</b>
<b>Cash and Cash Equivalents shall comprise of:-</b>		
a. Balances with banks	93.88	33.10
b. Cash on hand	8.02	0.62
<b>Total</b>	<b>101.91</b>	<b>33.72</b>

The above Cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard 7 ( Ind AS-7) "Statement of Cash Flow ".  
The accompanying notes are an integral part of the Financial statements.

As per our report of even date

For MANEK & ASSOCIATES  
Chartered Accountants  
Firm Reg. No. 126679W

SHALESH MANEK  
(Partner)  
Membership No. 034925

Place : MUMBAI  
Date : 29.05.2024



For and on behalf of Board of Directors

JAYESH A. MOTASHA  
Director  
00054236

DEEPTI PAREKH  
Company Secretary  
ACS60978

Place : MUMBAI  
Date : 29.05.2024

AVANI PANDIT  
Director  
08386003

VIVEK D MOTASHA  
Chief Financial officer



**ROYAL CUSHION VINYL PRODUCTS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH, 31, 2024**

(₹ in Lacs)

(a) Equity share capital						
	Balance as at 31.03.2023	Changes in the equity share capital during the year	Balance as at 31.03.2024			
Number of Shares	120,67,212	245,21,250	365,88,462			
Value of Shares	1,206.72	2,452.13	3,658.85			
(b) Other equity						
Particulars	Reserve & Surplus					Total
	Capital reserves	Securities Premium	Investment Allowance Reserve	General	Revaluation Reserve	
<b>Balance as at 31.03.2022</b>	6.49	7,232.25	45.34			(48,860.27)
Profit / (Loss) for the period	-	-	-			19.44
Other Comprehensive Income / (Loss) *	-	-	-			(8.89)
<b>Total Other comprehensive income for the year</b>	-	-	-			10.55
Addition/( deletion ) during the year						
<b>Balance as at 31.03.2023</b>	6.49	7,232.25	45.34			(48,849.72)
Profit / (Loss) for the period	-	-	-			29,420.86
Revaluation of Assets**	-	-	-		3,522.45	3,522.45
Other Comprehensive Income / (Loss) *	-	-	-		8.36	8.36
<b>Total Other comprehensive income for the year</b>	-	-	-		3,522.45	29,429.21
Addition/( deletion ) during the year		1,986.38	(45.34)	45.34		1,986.38
<b>Balance as at 31.03.2024</b>	6.49	9,218.63	-	45.34	3,522.45	(19,420.51)

\* Represents remeasurements of defined benefit plans

\*\*The Company had revalued it's Land at Garadhia and Baska to Rs. 3569.00 lacs and after reducing the book value, revaluation reserve created is Rs. 3522.45 lacs.

As per our report of even date

For MANEK & ASSOCIATES  
Chartered Accountants  
Firm Reg. No. 126679W

*SLK Manek*

SHAILESH MANEK  
(Partner)  
Membership No. 034925



Place : MUMBAI  
Date : 29.05.2024

For and on behalf of Board of Directors

*Jayesh A. Motasha*

JAYESH A. MOTASHA  
Director  
00054236

*Deepi Parekh*

DEEPTI PAREKH  
Company Secretary  
ACS60978

Place : MUMBAI  
Date : 29.05.2024

*Avani Pandit*

AVANI PANDIT  
Director  
08386003

VIVEK D MOTASHA  
Chief Financial officer

## **Royal Cushion Vinyl Products Limited**

Standalone financial statements for the year ended March 31, 2024

(All amounts are in ₹ lakh unless stated otherwise)

### **Notes Forming part of the Financial Statements**

#### **1. CORPORATE INFORMATION**

Royal Cushion Vinyl Products Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 (CIN:L24110MH1983PLC031395). Its shares are listed on the Bombay Stock Exchange. The Company is engaged in manufacturing of Vinyl Flooring, PVC Sheeting and Artificial Leather cloth for commercial, residential, Transport and contract range as per the industries need and under the brand name "Royal House."

#### **2. Basis of preparation**

Standalone financial statements for the year ended March 31, 2024 are prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 together with comparative period data as at and for the year ended March 31, 2023.

The financial statements have been prepared on accrual basis and under the historical cost convention except for certain financial instruments which are measured at fair value. Historical cost is generally based on the fair value of consideration given in exchange of goods and services. The accounting policies are consistently applied by the Company during the period and are consistent with those used in the previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS 34) as prescribed by Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and guidelines issued by the Securities and Exchange Board of India (SEBI). These financial statements do not include all the information required for a complete set of financial statements under the applicable financial reporting framework. The financial statements are presented in Indian ₹ lakh (functional currency of the Company) unless otherwise stated.

#### **MATERIAL ACCOUNTING POLICIES**

##### **(a). Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

##### **Revenue from sale of goods and services**

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably.

Revenue includes only the gross inflows of economic benefits, received and receivable by the Company, on its own account. Amounts collected on behalf of third parties such as goods and service tax are excluded from revenue.

Revenue from sale of goods and services is recognized when the following conditions are satisfied:

- i. The Company has transferred the significant risks and rewards of ownership of the goods to the buyer.
- ii. The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over goods/services sold.
- iii. The amount of revenue can be measured reliably.





## Royal Cushion Vinyl Products Limited

Standalone financial statements for the year ended March 31, 2024

(All amounts are in ₹ lakh unless stated otherwise)

### Notes Forming part of the Financial Statements

- iv. It is probable that the economic benefits associated with the transaction will flow to the Company.
- v. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

#### (b). Taxes

##### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Company determines the tax as per the provisions of Income Tax Act 1961 and other rules specified thereunder.

Current income tax relating to items recognized outside the statement of profit and loss is recognized in other comprehensive income. Current tax items are recognized in correlation to the underlying transaction in OCI. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### Deferred tax

Deferred tax is measured using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised in other comprehensive income. Deferred tax items are recognised in correlation to the underlying transaction in OCI.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.



## Royal Cushion Vinyl Products Limited

Standalone financial statements for the year ended March 31, 2024

(All amounts are in ₹ lakh unless stated otherwise)

### Notes Forming part of the Financial Statements

#### (c). Property, plant & equipment

Property, plant & equipment represent a significant proportion of the asset base of the company. The charge in respect of depreciation is derived after determining an estimate of the asset's expected useful life and estimated residual value at the end of its life. The useful lives and residual value of the company's assets are estimated by the management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Property, plant and equipment is stated at cost less accumulated depreciation and where applicable accumulated impairment losses. Property, plant and equipment and capital work in progress cost include expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labor and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Interest on Funds borrowed for acquisition of property, plant and equipment up to the period such property, plant and equipment is ready for use is capitalized and added to the cost of such items. Property, plant and equipment, if revalued, the valuation suggested by independent valuer has been taken as value of the Property.

Gains and losses on disposal are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within "other income/other expenses" in the statement of profit and loss.

Depreciation in accounts is charged on Straight Line Method based on the management's estimate of useful life of each class of assets and considering the useful life prescribed by Schedule II of the Companies Act, 2013 on the cost, as reduced by the amount of Excise Cenvat, GST and VAT setoff claimed.

#### Subsequent cost

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit and loss.

Depreciation is provided on Straight Line Method (SLM) basis, based on the estimated useful life of the assets.

Asset Class	Estimated useful life (number of years)	Estimated life as per Companies Act
Plant and Machinery	15	15
Electrical Installation	15	15
Laboratory Equipment	15	15
Buildings	30	30
Furniture and Fixtures	10	10
Vehicles	8	8
Office Equipment	5	5

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

Amortization is provided on Straight Line Method (SLM) basis, based on the estimated useful life of the assets.





**Royal Cushion Vinyl Products Limited**

Standalone financial statements for the year ended March 31, 2024

(All amounts are in ₹ lakh unless stated otherwise)

**Notes Forming part of the Financial Statements****Intangible assets**

Intangible assets acquired by the Company and having finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the intangible asset.

All revenue expenses pertaining to research are charged to the profit and loss account in the year in which they are incurred. Expenditure of capital nature is capitalized as property, plant and equipment and depreciated as per the company's policy.

Amortization is provided on Straight Line Method (SLM) basis, based on the estimated useful life of the assets.

Asset Class	Estimated useful life (number of years)
Computer Software	3.00

**Subsequent expenditure**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

**Amortization of intangible assets with finite useful lives:**

Amortization is recognized in profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

**(d). Inventories**

The Company estimates the net realisable value (NRV) of its inventories by taking into account estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering the past trend. Inventories are written down to NRV where such NRV is lower than their cost.

Stock of raw materials, consumable stores and fuel and oil are valued at lower of cost or market value, on FIFO basis. Finished goods and work in progress are valued at cost of production or market value whichever is lower.

**(e). Transactions and balances**

Transactions in foreign currency are translated into Indian rupees at the exchange rates at the date of the transaction.

Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation difference on items whose fair value gain or loss is recognized in the statement of Other Comprehensive Income (OCI) or the statement of profit or loss is also recognized in the statement of OCI or the statement of profit or loss, respectively).



## Royal Cushion Vinyl Products Limited

Standalone financial statements for the year ended March 31, 2024

(All amounts are in ₹ lakh unless stated otherwise)

### Notes Forming part of the Financial Statements

Application of accounting policies that require critical accounting estimates and the assumptions having the most significant effect on the amounts recognized in the standalone financial statements are:

Valuation of financial instruments  
Useful life of property, plant and equipment  
Useful life of intangible assets  
Provisions

#### (f). Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle
- ii. Held primarily for trading
- iii. Expected to be realized within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when

- i. It is expected to be settled in normal operating cycle
- ii. It is held primarily for trading
- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### (g). 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or  
In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:





## Royal Cushion Vinyl Products Limited

Standalone financial statements for the year ended March 31, 2024

(All amounts are in ₹ lakh unless stated otherwise)

### Notes Forming part of the Financial Statements

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both; recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

#### (h). Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

#### (i). Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing cost directly attributable to the cost of acquisition or construction of the fixed assets is capitalized as part of the cost of the assets, upto the date the asset is put to use. Other borrowing costs are charged to the Statement of Profit and Loss in the year in which they are incurred. Costs in connection with the borrowing of funds are charged to statement of profit and loss.



## Royal Cushion Vinyl Products Limited

Standalone financial statements for the year ended March 31, 2024

(All amounts are in ₹ lakh unless stated otherwise)

### Notes Forming part of the Financial Statements

#### (j). Provisions and contingent liabilities

The company estimates the provisions that have present obligation as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The company uses significant judgements to assess contingent liabilities.

The Company recognizes a provision when there is a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Long term provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### (k). Use of estimates

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, and the income and expenses during the reporting period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and use of assumptions in these standalone financial statements have been disclosed appropriately. Accounting estimates could change from period to period. Actual results may differ from these estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

#### (l). Cash and cash equivalents

For presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts and cash credits are shown within borrowings in current liabilities in the balance sheet.

#### (m) Statement of Cash Flow

Cash flows are reported using the indirect method, whereby profit / (loss) after 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.

#### (n) Employee benefits

The cost of the defined plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making





## Royal Cushion Vinyl Products Limited

Standalone financial statements for the year ended March 31, 2024

(All amounts are in ₹ lakh unless stated otherwise)

### Notes Forming part of the Financial Statements

various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes on those assumptions. All assumptions are reviewed at each reporting date.

#### Defined contribution plans (Provident Fund)

In accordance with Indian Law, eligible employees receive benefits from Provident Fund, which is defined contribution plan. Both the employee and employer make monthly contributions to the plan, which is administrated by the Government authorities, each equal to the specific percentage of employee's basic salary. The Company has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognized as an employee benefit expense in the Statement of Profit and Loss when incurred.

#### Defined benefit plans (Gratuity)

In accordance with applicable Indian Law, the Company provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, and amount based on respective last drawn salary and the years of employment with the Company. The Company's net obligation in respect of the Gratuity Plan is calculated by estimating the amount of future benefits that the employees have earned in return of their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service cost and the fair value of plan assets are deducted. The discount rate is the yield at reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service cost and the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contribution to the plan. The Company recognizes all re-measurements of net defined benefit liability/asset directly in other comprehensive income.

#### Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accrued absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence. The Company recognizes an obligation for compensated absences in the period in which the employee renders the services. The Company provides for the expected cost of compensated absence in the statement of profit and loss as the additional amount that the company expects to pay as a result of the unused entitlement that has accumulated based on actuarial valuations carried out by an independent actuary at the balance sheet date.

#### (o) Leases

Ind AS 116 requires lessees to determine the lease term as non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assess whether its reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the company's operations taking into account the location of the asset and the availability of alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the company has concluded that no changes are required to lease periods relating to existing lease contracts.

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.





## Royal Cushion Vinyl Products Limited

Standalone financial statements for the year ended March 31, 2024

(All amounts are in ₹ lakh unless stated otherwise)

### Notes Forming part of the Financial Statements

#### 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.

#### Ind AS 116 Leases:

In March 2019, the Ministry of Corporate Affairs, issued the Companies (Indian Accounting Standards) Amendment Rules 2018, notifying Ind AS 116 "Leases" which replaces Ind AS 17 "Leases". The new standard shall require lessees to recognize the Leases on their Balance Sheet with limited exemptions related to low value asset and assets with a lease term of less than 12 months.

Lessees will use a single accounting model for all leases. Accordingly, the lessee is required to recognize "Right of Use" asset representing its right to use the underlying asset and a "Lease Liability" representing its obligations to make lease payments.

#### (p) Impairment of assets

Investments in subsidiaries, goodwill and intangible assets are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which they pertain is less than its carrying value. The recoverable value of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected cash flows, risk adjusted discount rate, future economic and market conditions.

#### (q) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

#### (r) 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.





## Royal Cushion Vinyl Products Limited

Standalone financial statements for the year ended March 31, 2024  
(All amounts are in ₹ lakh unless stated otherwise)

### Notes Forming part of the Financial Statements

#### Financial asset

##### Initial recognition and measurement

All financial assets are recognized 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. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the assets.

Investment in subsidiaries are carried at cost less impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories;  
at amortised cost through profit or loss  
at amortised cost through other comprehensive income  
at fair value through other comprehensive income  
at fair value through profit or loss

##### Financial assets at amortized cost

A financial asset is measured at the amortised cost if both the following conditions are met:  
The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and  
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.

This category is the most relevant to the Company. All the Loans and other receivables under financial assets (except investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by impairment amount.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

##### Financial assets at fair value through the statement of profit and loss/other comprehensive income

Instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

If the Company decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the statement of OCI. There is no recycling of the amounts from OCI to Statement of Profit & Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

##### De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:



## Royal Cushion Vinyl Products Limited

Standalone financial statements for the year ended March 31, 2024  
(All amounts are in ₹ lakh unless stated otherwise)

### Notes Forming part of the Financial Statements

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material lay to a third party under a 'pass-through' arrangement; and either (a) 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.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

#### Impairment of financial assets

The Management has evaluated the impairment provision requirement under IND AS 109 and has listed below major facts for trade and other receivables impairment provisioning:

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Expected Credit Loss (ECL) impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the Statement of Profit & Loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortized cost and other contractual revenue receivables- ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial assets measured at FVTOCI- Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

#### Financial liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through the statement of profit or loss, loans and borrowings, trade payables and other payables.

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.

The Company's financial liabilities include trade and other payables, loans and borrowings including other payables.

##### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:





## **Royal Cushion Vinyl Products Limited**

Standalone financial statements for the year ended March 31, 2024  
(All amounts are in ₹ lakh unless stated otherwise)

### **Notes Forming part of the Financial Statements**

#### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

#### **De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or it 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and 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 realise the assets and settle the liabilities simultaneously.

#### **(s) Government Grants**

Government grants are initially recognized at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant;

#### **(t) Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.



Particulars	Land	Buildings	Plant & Equipment	Furniture & Fittings	Office Equipments	Total	Capital Work in progress
As at March, 2022	90.85	539.73	1,224.25	10.49	46.32	1,911.63	-
Additions	-	-	8.42	-	0.93	9.34	-
Disposals	(26.46)	-	(52.79)	-	-	(79.25)	-
As at March 31, 2023	64.39	539.73	1,179.87	10.49	47.24	1,841.72	-
Additions *	3,549.86	18.93	31.74	-	1.52	3,602.05	153.31
Reclassified from Investment Property **	-	33.87	-	-	-	33.87	-
Reclassified to Investment Property ***	-	(194.77)	-	-	-	(194.77)	-
Disposals	(44.89)	-	(35.66)	-	-	(80.55)	-
As at March 31, 2024	3,569.36	397.75	1,175.96	10.49	48.76	5,202.32	153.31

**Accumulated depreciation and impairment**

As at March, 2022	-	224.24	465.49	4.97	23.02	717.72	-
Depreciation for the year	-	22.99	56.60	0.75	7.63	87.98	-
Impairment	-	-	-	-	-	-	-
Disposals	-	-	(50.15)	-	-	(50.15)	-
As at March 31, 2023	-	247.23	471.94	5.72	30.65	755.54	-
Depreciation for the year	-	24.91	38.04	0.16	1.12	64.22	-
Depreciation on reclassified Property ***	-	(185.03)	-	-	-	(185.03)	-
Depreciation on reclassified Property **	-	12.96	-	-	-	12.96	-
Impairment	-	-	-	-	-	-	-
Disposals	-	-	(33.88)	-	-	(33.88)	-
As at March 31, 2024	-	100.06	476.10	5.88	31.77	613.81	-

**Carrying amount**

As at March 31, 2023	64.39	292.50	707.93	4.77	16.59	1,086.18	-
As at March 31, 2024	3,569.36	297.69	699.85	4.61	16.99	4,588.50	153.31

**Investment Property**

(₹ in Lacs)

Particulars	Land Baska	Building-Garadhia	Building-Baska	Total
<b>Cost</b>				
As at March, 2022	0.47	33.87	-	34.33
Additions	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2023	0.47	33.87	-	34.33
Reclassified from Business assets ***	-	-	194.77	194.77
Reclassified to Business assets **	-	(33.87)	-	(33.87)
Disposals	-	-	-	-
As at March 31, 2024	0.47	0.00	194.77	195.24

**Accumulated depreciation and impairment**

As at March, 2022	-	11.10	-	11.10
Depreciation for the year	-	1.86	-	1.86
Impairment	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2023	-	12.96	-	12.96
Depreciation for the year	-	-	-	-
Accumulated Depreciation on reclassified Property ***	-	-	185.03	185.03
Accumulated Depreciation on reclassified Property **	-	(12.96)	-	(12.96)
Impairment	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2024	-	0.00	185.03	185.03

**Carrying amount**

As at March 31, 2023	0.47	20.91	-	21.37
As at March 31, 2024	0.47	0.00	9.74	10.20

**Right to Use Assets**

Particulars	Building	Forklift	Lamination & Printing Line	Total
Net carrying value as at March 31, 2022	16.38	42.36	-	58.74
Additions during the year	-	-	139.27	139.27
Less: Depreciation for the year	(16.38)	(21.18)	(1.16)	(38.72)
Net carrying value as at March 31, 2023	-	21.18	138.11	159.28
Additions during the year	-	-	-	-
Deletion during the year	-	-	(27.85)	(27.85)
Less: Depreciation for the year	-	(21.18)	(27.85)	(49.03)
Net carrying value as at March 31, 2024	-	(0.00)	82.40	82.40

Note:

**Capital work in Progress as at 31-03-2024**

(₹ in Lacs)

Capital Work In Progress	To be completed in			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Project - 1	153.31	-	-	-

**Capital work in Progress as at 31-03-2023**

Capital Work In Progress	To be completed in			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Project - 1	-	-	-	-

\* Addition to Land Rs. 3522.45 lacs is due to revaluation, done during the year.

\*\* The Building at Garadhia location was given on rent and now the rent agreement is discontinued, hence re classified.

\*\*\* The Building at Baska which was used for business, is now given out on rent and hence reclassified.





ROYAL CUSHION VINYL PRODUCTS LIMITED

Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2024

04. INVESTMENT-NON-CURRENT

(₹ in Lacs)

Particulars	Units	As at	
		31 <sup>st</sup> March, 2024	31st March, 2023
Long Term Investment (at cost)			
A Investment in Shares			
i) Unquoted : (Non Trade) in Equity			
Investment in Shares of Subsidiary Company :			
4,50,200 Shares (PY.4,50,200) in Euroroyal Floor Ltd (U.K.) of STG pound 1 (one) each fully paid up.	4,50,200	259.31	259.31
Less : provision for diminution in value of investment	4,50,200	259.31	259.31
30,000 (PY 30,000) equity shares in AB Corp Ltd of ₹ 10/- each fully paid up.	30,000	24.75	24.75
Less : Provision for Diminution in value of Investment	30,000	24.75	24.75
7,500 (PY.7,500) shares in Baroda City Co-op Bank Ltd. of ₹ 10/- each fully paid up.	-	-	0.08
1,416 (PY.1,416) shares in Saraswat Co-op Bank Ltd. of ₹ 10/- each fully paid up.	1,416	0.21	0.21
B Government Securities			
National Saving Certificates ( Pledged with Government Authorities )		0.02	0.02
C Investment by way of capital in a partnership firm			
Creative Investment		3.57	(7.41)
<b>Total</b>		<b>3.80</b>	<b>(6.43)</b>

Particulars	As at 31st March, 2024	As at 31st March, 2023
Aggregate amount of unquoted investments	287.86	277.63
Aggregate Provision for the diminution in Value of investments	284.06	284.06

4.1) The Company has made an investment of ₹ 259.31 lacs ( £ 450.200) in Euroroyal Floors Ltd. ("ERF") wholly owned subsidiary in U.K. The subsidiary also owes ₹ 2333.76 lacs ( Net of commission payable ₹ 106.19 lacs ) towards supply of goods made to it. The principal customers of ERF in Russia did not honour the debts, Due to this ERF in turn, could not pay its creditors. The Company has been informed by the ex-local Directors of ERF that one of the creditors had filed a suit for winding-up of ERF pursuant to which the High Court of Justice of U.K. made a winding-up order dated 11th June, 2001 against ERF and the official receiver has been appointed to liquidate the assets of ERF. Thereafter order dated 12/03/2002 was passed and ERF is dissolved Under the circumstances, the Management had provided for diminution in value of investment made in ERF in the year 2000-01. As also, provision against the debt of ₹ 2333.76 lacs due from ERF had been made during the earlier year.

05. OTHER FINANCIAL ASSETS-NON CURRENT

(₹ in Lacs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deposits	84.98	84.98
Fixed Deposit with banks (Held as security deposit against Bank Guarantee.)	15.57	15.57
<b>Total</b>	<b>100.55</b>	<b>100.55</b>

06. INVENTORIES

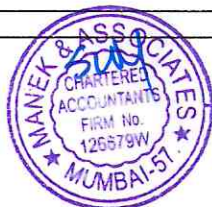
(₹ in Lacs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Raw materials	189.63	119.53
Work-in-progress	52.95	154.99
Finished goods	516.63	187.81
Packing Materials	18.26	14.64
Consumable Stores	109.60	101.41
Fuel	1.67	-
<b>Total</b>	<b>888.74</b>	<b>578.38</b>

07. TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	29.18	30.53
Considered Doubtful	2,346.58	2,345.74
Less : Provision for Doubtful Debts	2,375.76	2,376.27
	2,346.58	2,345.74
Others (Considered good)	29.18	30.53
<b>Total</b>	<b>641.04</b>	<b>153.58</b>



7.1) Trade Receivables ageing schedule as at 31<sup>st</sup> March, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	611.87	2.94	6.83	0.73	18.68	641.04
(ii) Undisputed Trade receivables -considered doubtful	-	-	-	-	2,346.58	2,346.58
(iii) Disputed trade receivables - considered good	-	-	-	-	-	-
(iv) Disputed trade receivables - considered doubtful	-	-	-	-	-	-
(v) Allowance for doubtful trade receivables	-	-	-	-	(2,346.58)	(2,346.58)
<b>Total</b>	<b>611.87</b>	<b>2.94</b>	<b>6.83</b>	<b>0.73</b>	<b>18.68</b>	<b>641.04</b>

Trade Receivables ageing schedule as at 31<sup>st</sup> March, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	123.06	7.57	2.84	0.76	19.36	153.58
(ii) Undisputed Trade receivables -considered doubtful	-	-	-	-	2,345.74	2,345.74
(iii) Disputed trade receivables - considered good	-	-	-	-	-	-
(iv) Disputed trade receivables - considered doubtful	-	-	-	-	-	-
(v) Allowance for doubtful trade receivables	-	-	-	-	(2,345.74)	(2,345.74)
<b>Total</b>	<b>123.06</b>	<b>7.57</b>	<b>2.84</b>	<b>0.76</b>	<b>19.36</b>	<b>153.58</b>

## 08. CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at	
	31st March, 2024	31st March, 2023
a. Balances with banks	93.88	33.10
b. Cash on hand	6.02	0.62
<b>Total</b>	<b>101.91</b>	<b>33.72</b>

## 9. LOANS-CURRENT

(₹ in Lacs)

Particulars	As at	
	31st March, 2024	31st March, 2023
Advances to Employees	4.16	4.37
<b>Total</b>	<b>4.16</b>	<b>4.37</b>

## 10. OTHER CURRENT ASSETS

(Unsecured, considered good)

(₹ in Lacs)

Particulars	As at	
	31st March, 2024	31st March, 2023
Prepaid Expenses	5.34	1.61
Advances to Suppliers	41.86	53.56
Balance with Government authorities	648.88	636.33
Deposit Rental (Offices)	10.30	10.30
<b>Total</b>	<b>706.38</b>	<b>701.80</b>

## 11. Current Tax Assets

(₹ in Lacs)

Particulars	As at	
	31st March, 2024	31st March, 2023
Tax Deduction at Source	45.35	36.12
	<b>45.35</b>	<b>36.12</b>

## 12. SHARE CAPITAL

(₹ in Lacs)

Particulars	As at	
	31st March, 2024	31st March, 2023
Authorised : 50,000,000 (Previous year 30,000,000)		
Equity Shares of ₹ 10/- each	5,000.00	3,000.00
Issued, Subscribed & Paid up 3,65,88,462 equity shares		
( Previous Year 1,20,67,212) Equity Shares of ₹ 10/- each fully paid up	3,658.85	1,206.72
<b>Total</b>	<b>3,658.85</b>	<b>1,206.72</b>

## 12.1) Rights of Equity Shareholders

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

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Numbers	₹ in lacs	Numbers	₹ in lacs
Shares outstanding at the beginning of the year	120,67,212	1,206.72	120,67,212	1,206.72
Shares Issued during the year	245,21,250	2,452.13	-	-
Shares outstanding at the end of the year	<b>365,88,462</b>	<b>3,658.85</b>	<b>120,67,212</b>	<b>1,206.72</b>

The Company has completed preferential issue of i) 66,21,250 equity shares of the Company having face value of INR 10/- each, to the members of the Promoters and Promoter Group at an issue price of INR 40/- per equity share including premium of INR 30/- per equity share and, ii) 1,79,00,000 equity shares of the Company having face value of INR 10/- each at par, to private investors (non-Promoters) on preferential basis. Further these shareholders will have voting rights at par with existing shareholders.





ROYAL CUSHION VINYL PRODUCTS LIMITED  
Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2024  
12.3) Details of Shareholders holding more than 5% shares.

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1 Mahesh Kantilal Shah	31,83,000	8.70	39,450	0.33
2 Bhaktavatsala Trading & Consultancy Services LLP			10,35,210	8.58
3 Sahishnu Trading & Consultancy Services LLP			7,09,340	5.88
4 Shreedaha Trading & Consultancy Services LLP			7,09,300	5.88
5 Sughosh Trading & Consultancy Services LLP			7,09,310	5.88
6 Trilokatra Trading & Consultancy Services LLP			10,35,210	8.58
7 Lapada (Mauritius) Limited	28,80,000	7.87	28,80,000	23.87

12.4) Shareholding of Promoters

Name of Promoter *	As at March 31, 2024			As at March 31, 2023		
	No. of Shares held	% of Holding	% Changed during the Year	No. of Shares held	% of Holding	% Changed during the Year
1 Bhaktavatsala Trading & Consultancy Services LLP	10,35,210	2.83	-	10,35,210	8.58	-
2 Trilokatra Trading & Consultancy Services LLP	10,35,210	2.83	-	10,35,210	8.58	-
3 Lokswami Trading & Consultancy Services LLP	6,45,025	1.76	60	4,03,150	3.34	-
4 Sahishnu Trading & Consultancy Services LLP	7,09,340	1.94	-	7,09,340	5.88	-
5 Sughosh Trading & Consultancy Services LLP	7,09,310	1.94	-	7,09,310	5.88	-
6 Shreedaha Trading & Consultancy Services LLP	7,09,300	1.94	-	7,09,300	5.88	-
7 Shreesaha Trading & Consultancy Services LLP	10,00,000	2.73	NA	-	0.00	-
8 Vishvamurti Trading & Consultancy Services LLP	1,00,445	0.27	1,072	8,570	0.07	-
9 Trilokesh trading & consultancy private limited	45,690	0.12	-	45,690	0.38	-
10 Trilokesh trading & consultancy llp	6,87,500	1.88	NA	-	0.00	-
11 Sumukh trading & consultancy services llp	44,970	0.12	-	44,970	0.37	-
12 Anuradha Jayesh Javeri	28,000	0.08	-	28,000	0.23	-
13 Anuradha arvind motasha	1,000	0.00	-	1,000	0.01	-
14 Arvind vadilal motasha	4,91,903	1.34	2,810	16,903	0.14	-
15 Bhavana Mukesh motasha	40,822	0.11	-	40,822	0.34	-
16 Deepak amrutlal motasha	27,001	0.07	-	27,001	0.22	-
17 Dipti Jayesh motasha	1,051	0.00	-	1,051	0.01	-
18 Hansa arvind motasha	27,600	0.08	-	27,600	0.23	-
19 Jayesh a motasha	26,800	0.07	-	26,800	0.22	-
20 Jayshree Mahesh shah	400	0.00	-	400	0.00	-
21 Mahesh kantilal shah	31,83,000	8.70	7,968	39,450	0.33	-
22 Meena vinod shah	74,000	0.20	-	74,000	0.61	-
23 Mukesh amrutlal motasha	25,701	0.07	-	25,701	0.21	-
24 Sushilaben k shah		0.00	(100)	18,550	0.15	-
25 Suvrat Mahesh shah	13,600	0.04	-	13,600	0.11	-
26 Sweta Deepak motasha	300	0.00	-	300	0.00	-
27 Varun Jayesh motasha	19,800	0.05	-	19,800	0.16	-
28 Vinod kantilal shah	10,41,400	2.85	2,415	41,400	0.34	-
29 Lapada (Mauritius) Limited	28,80,000	7.87	-	28,80,000	23.87	-

\* Details of Promoters are identified based on information submitted with the BSE Ltd. as per SEBI ( LODR) Regulations, 2015 ( as amended ) and the Annual Return filed in accordance with the provision of Section 92 of the Companies Act,2013

13. OTHER EQUITY

Particulars	(₹ in Lacs)	
	As at 31st March, 2024	As at 31st March, 2023
<b>a. CAPITAL RESERVE</b>		
Opening Balance	6.49	6.49
Addition	-	-
Deduction	-	-
Closing Balance	6.49	6.49
<b>b. SECURITIES PREMIUM RESERVE</b>		
Opening Balance	7,232.25	7,232.25
Addition : Premium on issue of equity shares on preferential basis ( ref. Note 12.2 above)	1,986.38	-
Deduction	-	-
Closing Balance	9,218.63	7,232.25
<b>c. INVESTMENT ALLOWANCE RESERVE</b>		
Opening Balance	45.34	45.34
Addition	-	-
Deduction ( ref. c below)	(45.34)	-
Closing Balance	-	45.34
<b>d. GENERAL RESERVE</b>		
Opening Balance		
Addition ( Transfer from Investment Allowance Reserve)( ref. d below)	45.34	-
Deduction	-	-
Closing Balance	45.34	-
<b>e. REVALUATION RESERVE</b>		
Opening Balance		
Addition ( Land Revaluation)( ref. e below)	3,522.45	-
Deduction	-	-
Closing Balance	3,522.45	-
<b>f. RETAINED EARNINGS</b>		
Opening Balance	(48,849.72)	(48,860.27)
Remeasurement of defined benefits plans	8.36	(8.89)
Add : Profit for the year	29,420.86	19.44
Closing Balance	(19,420.51)	(48,849.72)
<b>Total</b>	<b>(6,627.60)</b>	<b>(41,565.64)</b>



ROYAL CUSHION VINYL PRODUCTS LIMITED

**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2024**

**Nature and Purpose of each reserve**

- a) Capital reserve - During amalgamation, the excess of net assets taken, over the consideration paid, if any, is treated as capital reserve.  
b) Securities premium reserve - The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.  
c) Investment allowance reserve - Investment Allowance Reserve was created under the provisions of Income tax, when new machineries were purchased. In the current year this reserve has been transferred to General Reserve, on completion of the required number of years.  
d) General Reserve is created on transfer of accumulated balance from Investment allowance reserve.  
e) Revaluation Reserve is created during the year, on revaluation of Land based on report issued by an independent Valuer.

**14. BORROWING - NON CURRENT**

(₹ in Lacs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Secured</b>		
From Banks :	-	-
Loans from Financial Institutions ( Ref. Note A below) Secured by way of first charge on movable & immovable properties presents & future subject to the prior charge on specified movable properties created in favor of bankers, by way of security for borrowing and further secured by personal guarantee of promoter directors of the Company.	-	23,260.45
Loan from Others ( Ref. Note B below )	1,385.83	1,630.45
<b>Total</b>	<b>1,385.83</b>	<b>24,890.90</b>

A. The original lenders of the Company namely IDBI, Bank of India, Oriental Bank of Commerce and EXIM Bank had assigned their dues to Asset Reconstruction Company of India Limited ('ARCIL') in the year 2006-07 and thereafter ARCIL assigned its rights in dues of the Company to SICOM Limited in the year 2011-12. During the financial year 2017-18, SICOM Limited assigned its rights in the dues outstanding from the Company to Finquest Financial Solutions Private Limited ('Finquest'). Similarly, during the financial year 2017-18, Saraswat Co-op Bank Ltd. assigned its rights in the dues outstanding from the Company to Finquest, interest of Rs. 1291.31 lacs was not provided in accounts in the pervious year. Pursuant to time to time deliberations and negotiations with FFSP, the Company has finally negotiated with FFSP to make a full and final payment of Rs. 860.00 lacs ("Settlement Amount") towards settlement of all outstanding dues and accordingly, completed the full payment of the entire Settlement Amount during July 2023. Pursuant thereto, the Company has received the No Dues Certificate dated July 14, 2023 from FFSP confirming no outstanding dues in the loan accounts of the Company with FFSP. Accordingly, the said loan accounts stands settled in the books of the Company and outstanding balance amount lying in books, which is not payable, Rs. 22860.45 lacs has been written back in the books.

B. Historically, the Company was under revival / rehabilitation under the provisions of the SICA 1985 and it's reference was pending before Hon'ble BIFR. In spite of the requisite financial support from certain members of the promoters and promoter group of the Company, the Company was in pressing need of financial support for its working capital requirements and in order to ensure its continuity and survival. However, due to sick status, it was not able to raise funds from banks / FIs on its own. In view thereof, the Company through its directors had requested the directors of the Company and other family members and group companies / entities including specifically Natroyal Industries Private Limited ("NIPL"), which are part of same family business group ("Promoter Group Persons"), to extend requisite support in securing financial support from banks / FIs. In view thereof, the Promoters Group Persons, by giving personal/family properties as collateral security, arranged Loans from banks / FIs on behalf of and for the sole benefit of the Company and such loan funds were initially disbursed to NIPL, as NIPL was a key party to such loan arrangement. As part of agreed arrangement between the Promoter Group Persons and the Company, such loan funds were transferred by NIPL to the Company and accordingly, the said loan / borrowed funds are shown in the name of NIPL and since then, the Company has been discharging all obligations in relation to said loan funds including payment of EMIs, principal repayment, interest and all other charges to the said banks / FIs. As part of agreed arrangement, the Company and Promoter Group Persons are primarily responsible for ensuring fulfilment of all obligations in relation to such loan funds including in case of default in repayment by the Company. Therefore, the Company remains primarily responsible for ensuring discharge of all obligations in relation to such loan funds availed from banks / FIs and standing in the name of NIPL.

**15. LEASE LIABILITY-NON CURRENT**

(₹ in Lacs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Lease liability	63.78	142.87
<b>Total</b>	<b>63.78</b>	<b>142.87</b>





**16. PROVISION - NON-CURRENT**

Particulars	As at	As at
	31st March, 2024	31st March, 2023
Provision for Employee Benefits		
Provision for Gratuity	145.10	172.98
Provision for Leave Benefits	28.58	23.85
Provision for Customs duty including interest	-	5,683.95
<b>Total</b>	<b>173.68</b>	<b>5,880.78</b>

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 were permitted, and they are required to be used in manufacturing of goods for export and export of goods has to be effected within the time allowed in terms of such scheme. In the past (Prior to year 2000), the Company had availed benefit of such licenses from time to time and it had also fulfilled its export obligations as per the conditions of such scheme in many of the licenses but in some cases such exports were not done. The said matter relates back to the period of more than 25 years and as such, the management of the company, based on an expert opinion, evaluated its specific obligations which may still subsists, if any. Based on the comprehensive evaluation and expert opinion, the provision made in earlier years Rs. 5683.95 lacs has been written back.

**17. BORROWING-CURRENT**

(₹ in Lacs)

Particulars	As at	As at
	31st March, 2024	31st March, 2023
<b>Secured</b>		
Loan from Others ( Ref. No.14 (B) above)	247.33	226.21
<b>Unsecured</b>		
From Companies	3,729.07	3,448.65
From Directors	767.11	1,570.11
From Others	30.31	2,319.81
<b>Total</b>	<b>4,773.81</b>	<b>7,564.78</b>

Borrowing from Others in Previous year represents outstanding amount payable to Promoters & Promoters Group entities including LLPs, which were earlier Private Limited Companies. The same were advanced earlier due to the company being sick & was referred to BIFR etc. During the year loan outstanding of Rs.1398.50 Lacs has been converted into equity @Rs.40 per share and Rs.269.44 Lacs has been w/back, as no longer payable and Rs.621.53 lacs has been repaid. The balance outstanding as on 31.03.2024 represents amount payable to Ex-Directors.

**18. LEASE LIABILITY-CURRENT**

(₹ in Lacs)

Particulars	As at	As at
	31st March, 2024	31st March, 2023
Lease liability	28.08	34.40
<b>Total</b>	<b>28.08</b>	<b>34.40</b>

**19. TRADE PAYABLES**

(₹ in Lacs)

Particulars	As at	As at
	31st March, 2024	31st March, 2023
Micro & Small Enterprises ( Ref Note No...42)	159.90	183.48
Others	3,421.92	3,655.44
<b>Total</b>	<b>3,581.82</b>	<b>3,838.92</b>

**19.1) Trade Payables ageing schedule: As at 31st March, 2024**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	157.66	1.35	-	0.89	159.90
(ii) Others	1,420.31	211.75	1,208.91	580.95	3,421.92
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>1,577.97</b>	<b>213.10</b>	<b>1,208.91</b>	<b>581.84</b>	<b>3,581.82</b>

**Trade Payables ageing schedule: As at 31st March, 2023**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	120.16	35.43	6.03	21.86	183.48
(ii) Others	1,525.70	1,443.93	347.83	329.02	3,646.48
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	8.96	8.96
<b>Total</b>	<b>1,645.86</b>	<b>1,479.36</b>	<b>353.86</b>	<b>359.84</b>	<b>3,838.92</b>

**20. OTHER CURRENT LIABILITIES**

(₹ in Lacs)

Particulars	As at	As at
	31st March, 2024	31st March, 2023
(a) Advance from Customers	66.52	532.19
(b) Statutory Liabilities	49.72	48.29
(c) Other Liabilities	146.41	269.47
<b>Total</b>	<b>262.65</b>	<b>849.95</b>

**21. PROVISIONS - CURRENT**

(₹ in Lacs)

Particulars	As at	As at
	31st March, 2024	31st March, 2023
( a ) Provision for Gratuity	22.84	16.92
( b ) Provision for Leave Benefits	2.59	8.34
<b>Total</b>	<b>25.44</b>	<b>25.26</b>



ROYAL CUSHION VINYL PRODUCTS LIMITED

Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2024

**22. REVENUE FROM OPERATION**

(₹ in Lacs)

Particulars	2023-24	2022-23
Sales of Products	5,419.18	5,158.95
	<b>5,419.18</b>	<b>5,158.95</b>
Other Operating Revenue		
Sale of Scrap	51.52	50.30
	<b>51.52</b>	<b>50.30</b>
<b>Total</b>	<b>5,470.69</b>	<b>5,209.25</b>

**DETAILS OF TURNOVER :**

PVC Floor Covering	5,419.18	4,494.28
PVC Leather cloth	-	664.66
<b>Total</b>	<b>5,419.18</b>	<b>5,158.95</b>

**23. OTHER INCOMES**

(₹ in Lacs)

Particulars	2023-24	2022-23
Interest	11.60	1.23
Interest on Income Tax Refund	-	0.58
Lease Rent	39.29	3.79
Profit on sale of Fixed assets*	1,069.46	1,858.41
Share of profit from Partnership firm	2.08	1.88
Profit on sale of securities	51.72	-
Miscellaneous Income	30.89	-
<b>Total</b>	<b>1,205.03</b>	<b>1,865.90</b>

\*This includes Rs. 1065.21 lacs ( Previous Rs. 1858.02 lacs ) towards profit on sale of Land at Garadhia.

**24. COST OF MATERIAL CONSUMED**

(₹ in Lacs)

Particulars	2023-24	2022-23
Opening Stock	119.53	128.34
Purchases	4,015.30	4,355.81
	<b>4,134.82</b>	<b>4,484.15</b>
Less: Closing Stock	189.63	119.53
<b>Total</b>	<b>3,945.19</b>	<b>4,364.63</b>

24.1) Value of Consumption of directly imported and Indigenou obtained Raw material.

**RAW MATERIAL CONSUMED**

(₹ in Lacs)

Imported	265.41	447.39
Indigenous	3,679.78	3,917.24
<b>Total</b>	<b>3,945.19</b>	<b>4,364.63</b>

**RAW MATERIAL CONSUMED**

	Amount	Amount
PVC Resin	1,105.24	1,238.23
Plasticizers	814.12	714.70
Others	2,025.83	2,411.69
<b>Total</b>	<b>3,945.19</b>	<b>4,364.63</b>

**25. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS**

(₹ in Lacs)

Particulars	2023-24	2022-23
<u>Opening Stock</u>		
Finished Goods	187.81	222.66
Work-in-process	154.99	455.85
	<b>342.81</b>	<b>678.51</b>
<u>Less: Closing Stock</u>		
Finished Goods	516.63	187.81
Work-in-process	52.95	154.99
	<b>569.58</b>	<b>342.81</b>
<b>Total</b>	<b>(226.77)</b>	<b>335.71</b>





ROYAL CUSHION VINYL PRODUCTS LIMITED

Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2024

**26. EMPLOYEES BENEFITS EXPENSES**

(₹ in Lacs)

Particulars	2023-24	2022-23
Salaries, Wages & Bonus	500.43	482.37
Contribution to Provident Fund and Other Funds	29.76	31.19
Gratuity	21.59	21.12
Staff Welfare expense	7.15	9.42
<b>Total</b>	<b>558.93</b>	<b>544.10</b>

**27. FINANCE COSTS**

(₹ in Lacs)

Particulars	2023-24	2022-23
Interest on borrowings	249.93	364.84
Exchange Rate Difference	4.92	-
Interest on Lease Liabilities	11.99	6.02
Bank Charges	11.42	4.07
<b>Total</b>	<b>278.26</b>	<b>374.92</b>

**28. OTHER EXPENSES**

(₹ in Lacs)

Particulars	2023-24	2022-23
Consumption of stores and spares	80.77	46.12
Consumption of packing material	156.59	166.09
Power and fuel	778.39	695.62
Lease Rent	21.77	67.59
Rates and taxes	31.57	2.95
Insurance	7.46	10.07
Electricity Charges	6.15	8.14
<b>Repairs and maintenance</b>		
- Plant and machinery	67.95	44.31
- Buildings	4.24	2.59
- Others	0.42	0.52
Design & Development	23.88	5.55
Machine Operating Charges	3.08	15.55
Services and maintenance	62.64	61.17
Advertising and sales promotion	5.65	0.77
Travelling and conveyance	12.11	5.54
Telephone Expense	1.93	2.10
Vehicle Expense	32.61	35.41
Legal and professional fees	67.53	83.10
<b>Payment to auditors</b>		
- Audit fees	6.00	2.27
- Tax Audit fees	0.75	0.30
- Other Services	1.38	0.45
Bad debts w/off	0.84	-
Miscellaneous expenses	86.15	51.60
<b>Total</b>	<b>1,459.84</b>	<b>1,307.79</b>



ROYAL CUSHION VINYL PRODUCTS LIMITED  
Notes on Financial Statements for the year ended 31st March, 2024  
Note 29 - Categories of Financial Instruments and Fair Value Hierarchy

(₹ in Lacs)

	Amount	As at 31-03-2024		
		Level 1	Level 2	Level 3
<b>Financial Assets</b>				
<b>Classified as Fair value through Profit &amp; Loss</b>				
Investments :-				
In Equity Instruments (Unquoted)	0.21	-	-	0.21
<b>Classified as Amortised Cost</b>				
Investment in Partnership firms	3.57	-	-	3.57
Govt. Securities	0.02	-	-	0.02
Trade Receivables	641.04	-	-	641.04
Loans	4.16	-	-	4.16
Cash and cash equivalents	101.91	-	-	101.91
Bank Balances other than Cash and Cash Equivalents	15.57	-	-	15.57
Security Deposit	84.98	-	-	84.98
<b>Total Financial Assets</b>	<b>851.46</b>	<b>-</b>	<b>-</b>	<b>851.46</b>
<b>Financial Liabilities</b>				
<b>Classified as Amortised Cost</b>				
Borrowings	6,159.64	-	-	6,159.64
Lease Liabilities	91.86	-	-	91.86
Trade payables	3,581.82	-	-	3,581.82
<b>Total Financial liabilities</b>	<b>9,833.33</b>	<b>-</b>	<b>-</b>	<b>9,833.33</b>

	Amount	As at 31-03-2023		
		Level 1	Level 2	Level 3
<b>Financial Assets</b>				
<b>Classified as Fair value through Profit &amp; Loss</b>				
Investments :-				
In Equity Instruments (Unquoted)	0.96	-	-	0.96
<b>Classified as Amortised Cost</b>				
Investment in Partnership firms	(7.41)	-	-	(7.41)
Govt. Securities	0.02	-	-	0.02
Trade Receivables	153.58	-	-	153.58
Loans	4.37	-	-	4.37
Cash and cash equivalents	33.72	-	-	33.72
Bank Balances other than Cash and Cash Equivalents	15.57	-	-	15.57
Security Deposit	84.98	-	-	84.98
<b>Total Financial Assets</b>	<b>285.79</b>	<b>-</b>	<b>-</b>	<b>285.79</b>
<b>Financial Liabilities</b>				
<b>Classified as Amortised Cost</b>				
Borrowings	32,455.68	-	-	32,455.68
Lease Liabilities	177.27	-	-	177.27
Trade payables	3,838.92	-	-	3,838.92
<b>Total Financial liabilities</b>	<b>36,471.86</b>	<b>-</b>	<b>-</b>	<b>36,471.86</b>

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

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

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

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

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

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

### Note 30- 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.





**ROYAL CUSHION VINYL PRODUCTS LIMITED**

Notes on Financial Statements for the year ended 31st March, 2024

The

**A) Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations.

**a) Cash and Cash Equivalents**

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

**Liquidity risk**

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

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

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

Particulars	(₹ in Lacs)			
	As at 31.03.2024			
	Less than 1 Year	1-5 Years	above 5yrs	Total
Borrowings	4,773.81	1,385.83	-	6,159.64
Trade payables	3,581.82	-	-	3,581.82
Lease Liabilities	28.08	63.78	-	91.86
Other financial liabilities	262.65	-	-	262.65
<b>Total</b>	<b>8,646.36</b>	<b>1,449.62</b>	<b>-</b>	<b>10,095.98</b>

Particulars	As at 31.03.2023			
	Less than 1 Year	1-5 Years	above 5yrs	Total
Borrowings	226.21	1,183.96	31,045.51	32,455.68
Trade payables	3,838.92	-	-	3,838.92
Lease Liabilities	34.40	142.87	-	177.27
Other financial liabilities	849.95	-	-	849.95
<b>Total</b>	<b>4,949.47</b>	<b>1,326.83</b>	<b>31,045.51</b>	<b>37,321.81</b>

**Market risk**

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

**Interest rate risk**

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

**Note 31 - Employee Benefit Plans**

**Annexure 'A' GRATUITY**

(₹ in Lacs)

Define Benefit Plans as per actuarial valuation under Ind AS 19 period of accounting

Valuation Result as at	31-Mar-24	31-Mar-23
<b>! Changes in present value of obligations</b>		
PVO at beginning of period	189.89	181.31
Interest cost	13.84	11.69
Current Service Cost	7.74	9.43
Past Service Cost- (non vested benefits)	-	-
Past Service Cost -(vested benefits)	-	-
Benefits Paid	(35.18)	(21.43)
Contributions by plan participants	-	-
Business Combinations	-	-
Curtailments	-	-
Settlements	-	-
Actuarial (Gain)/Loss on obligation	(8.36)	8.89
PVO at end of period	167.94	189.89



**ROYAL CUSHION VINYL PRODUCTS LIMITED**

Notes on Financial Statements for the year ended 31st March, 2024

Valuation Result as at	31-Mar-24	31-Mar-23
<b><u>II Interest Expenses</u></b>		
Interest cost	13.84	11.69
<b><u>III Fair Value of Plan Assets</u></b>		
Fair Value of Plan Assets at the beginning		
Interest Income		
<b><u>IV Net Liability</u></b>		
PVO at beginning of period	189.89	181.31
Fair Value of the Assets at beginning report		
Net Liability	189.89	181.31
<b><u>V Net Interest</u></b>		
Interest Expenses	13.84	11.69
Interest Income		
Net Interest	13.84	11.69
<b><u>VI Actual return on plan assets</u></b>		
Less Interest income included above		
Return on plan assets excluding interest income		-
<b><u>VII Actuarial (Gain)/loss on obligation</u></b>		
Due to Demographic Assumption*		-
Due to Financial Assumption	0.06	(4.86)
Due to Experience	(8.42)	13.75
Total Actuarial (Gain)/Loss	(8.36)	8.89

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

**Annexure 'A' GRATUITY**

Accounting Disclosures Statement	31-Mar-24	31-Mar-23
<b><u>Period of accounting</u></b>		
<b><u>VIII Fair Value of Plan Assets</u></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	35.18	21.43
Contributions by Employee		-
Benefits Paid	(35.18)	(21.43)
Fair Value of Plan Assets at end		-
<b><u>IX Past Service Cost Recognised</u></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><u>X Amounts to be recognized in the balance sheet and statement of profit &amp; loss account</u></b>		
PVO at end of period	167.94	189.89
Fair Value of Plan Assets at end of period		-
Funded Status		-
Net Asset/(Liability) recognized in the balance sheet	(167.94)	(189.89)
<b><u>XI Expense recognized in the statement of P &amp; L A/C</u></b>		
Current Service Cost	7.74	9.43
Net Interest	13.84	11.69
Past Service Cost- (non vested benefits)		-
Past Service Cost -(vested benefits)		-
Curtailment Effect		-
Settlement Effect		-
Unrecognised Past Service Cost- non vested benefits		-
Actuarial (Gain)/Loss recognized for the period		-
Expense recognized in the statement of P & L A/C	21.59	21.12





ROYAL CUSHION VINYL PRODUCTS LIMITED  
Notes on Financial Statements for the year ended 31st March, 2024

Period of accounting	Annexure 'A'	
	31-Mar-24	31-Mar-23
<b>XII Other Comprehensive Income (OCI)</b>		
Actuarial (Gain)/Loss recognized for the period	-8.36	8.89
Asset limit effect		
Return on Plan Assets excluding net interest		
Unrecognized Actuarial (Gain)/Loss from previous period		
Total Actuarial (Gain)/Loss recognized in (OCI)	(8.36)	8.89
<b>XIII Movements in the Liability recognized in Balance Sheet</b>		
Opening Net Liability	189.89	181.31
Adjustment to opening balance		
Expenses as above	21.59	21.12
Contribution paid	(35.18)	(21.43)
Other Comprehensive Income(OCI)	(8.36)	8.89
Closing Net Liability	167.94	189.89
<b>XIV Schedule III of The Companies Act 2013</b>		
Current Liability	22.84	16.92
Non-Current Liability	145.10	172.98
<b>XV Asset Information</b>		
Not Applicable as the plan is unfunded.		
<b>XVI Assumptions as at</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Mortality	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Interest / Discount Rate	7.20% p.a.	7.29%
Rate of increase in compensation	8.00% p.a.	8.00%
Annual increase in healthcare costs		
Future Changes in maximum state healthcare benefits		
Expected average remaining service	10.00	8.10
Retirement Age	58 Years	58 Years
Employee Attrition Rate	Age: 0 to 40 : 3% Age: 41 to 50 : 2% Age: 51 to 58 : 1%	Age: 0 to 40 : 3% Age: 41 to 50 : 2% Age: 51 to 58 : 1%

**XVII Sensitivity Analysis**

	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	159.41	179.19	176.97	160.34

**XVIII Expected Payout**

Particulars	31/03/2024
Year 1 Cashflow	22.84
Year 2 Cashflow	15.15
Year 3 Cashflow	25.41
Year 4 Cashflow	24.14
Year 5 Cashflow	11.50
Year 6 to Year 10 Cashflow	96.14

**XIX Asset Liability Comparisons**

Year	31/03/2020	31/03/2021	31/03/2022	31/03/2023	31/03/2024
PVO at end of period	164.70	166.91	181.31	189.89	167.94
Plan Assets	-	-	-	-	-
Surplus/(Deficit)	(164.70)	(166.91)	(181.31)	(189.89)	(167.94)
Experience adjustments on plan assets	-	-	-	-	-

Weighted average remaining duration of Defined Benefit Obligation 5.77 years.

**Note 32 - 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	(₹ in Lacs)	
	31.03.2024	31.03.2023
Gross Debt	6,159.64	32,455.68
Less:		
Cash and Cash Equivalent	101.91	33.72
Other Bank Balance	15.57	15.57
Net debt (A)	6,042.17	32,406.39
Total Equity (B)	(2,968.76)	(40,358.92)
Net debt to equity ratio	(2.04)	(0.80)



**ROYAL CUSHION VINYL PRODUCTS LIMITED**

Notes on Financial Statements for the year ended 31st March, 2024

**Note 33 - Segment Reporting**

The company is engaged in manufacture of PVC products (PVC Flooring, 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 .34 - Exceptional Items**

Exceptional items represents :

34.1 Written back of outstanding dues of Rs. 22860.44 lacs : Finquest Financial Solutions Private Limited ("FFSPL") , FFSPL had taken over the loans from SiCOM & Saraswat Co-op bank. Pursuant to time to time deliberations and negotiations with FFSPL, the Company has finally negotiated with FFSPL to make a full and final payment of Rs. 860.00 lacs ("Settlement Amount") towards settlement of all outstanding dues and accordingly, completed the full payment of the entire Settlement Amount during July 2023. Pursuant thereto, the Company has received the No Dues Certificate dated July 14, 2023 from FFSPL confirming no outstanding dues in the loan accounts of the Company with FFSPL. Accordingly, the said loan accounts stands settled in the books of the Company and outstanding balance amount lying in books, which is not payable has been written back in the books. The required forms CHG-4 are filed with Registrar of Companies and current charges outstanding against above is nil.

34.2 Written back of outstanding Provisions for Custom Duty including interest of Rs. 5683.95 lacs : 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 were permitted, and they are required to be used in manufacturing of goods for export and export of goods has to be effected within the time allowed in terms of such scheme. In the past ( Prior to year 2000), the Company had availed benefit of such licenses from time to time and it had also fulfilled its export obligations as per the conditions of such scheme in many of the licenses but in some cases such exports were not done . The said matter relates back to the period of more than 25 years and as such, the management of the company, based on an expert opinion , evaluated its specific obligations which may still subsists, if any. Based on the comprehensive evaluation and expert opinion, the provision made in earlier years has been written back .

34.3 Unclaimed Liabilities/Balances written back Rs. 329.44 lacs : This represents balances of various parties ,which are no longer payable, have been Written back.

34.4 Total of all above is Rs. 28873.83 lacs

**Note 35 - Related Party transactions**

1 NAME OF RELATED PARTIES AND RELATIONS

**(A)ASSOCIATES CONCERN AND RELATIVES**

- a) Natroyal Industries Private Limited
- b) Sughosh Trading & Consultancy Services LLP
- c) Trilokatma Trading & Consultancy Services LLP
- d) Shreedaha Trading & Consultancy Services LLP
- e) Shreeshaha Trading & Consultancy Services LLP
- f) Bhaktavatsala Trading & Consultancy Services LLP
- g) Trilokesh Trading & Consultancy Services LLP
- h) Lokwami Trading & Consultancy Services LLP
- i) Sahishnu Trading & Consultancy Services LLP
- j) Sumukh Trading & Consultancy Services LLP
- k) Vishvamurti Trading & Consultancy Services LLP
- l) Royal Spinwell & Developers Pvt Ltd
- m) Vinod K Shah
- n) Mukesh Motasha
- o) Kadambari Mehta

**( B) KEY MANAGERIAL PERSONNEL**

- a) Mahesh K Shah (Chairman & Managing Director)
- b) Jayesh Motasha (Non Executive Director)
- c) Deepti Parekh (Company Secretary)
- d) Vivek D Motasha ( CFO)

**( C) BOARD OF DIRECTORS**

- a) Mahesh K Shah (Chairman & Managing Director)
- b) Jayesh Motasha (Non Executive Director)
- c) Harsha Shah
- d) Avani Pandit

2 RELATED PARTY TRANSACTIONS

(₹ in Lacs)

Nature of Transaction	2023-24		2022-23	
	Associates	Key Management Personnel & their Relative	Associates	Key Management Personnel & their Relative
<b>Purchases of goods &amp; Services</b>				
Natroyal Industries Private Limited	32.27		203.36	
Kadambari Mehta		10.20		10.20
<b>Sales of goods, Services etc.</b>				
Natroyal Industries Private Limited	96.85	-	102.28	-
<b>Repayment of Loan</b>				
Natroyal Industries Private Ltd.(ref.Note no.14( B )	223.51	-	229.11	
Mahesh K Shah		382.98		
Mukesh Motasha		-		4.10
Jayesh A Motasha		307.42		-
Bhaktavatsala Trading & Consultancy Services LLP	127.20			
Trilokesh Trading & Consultancy Services LLP	12.13			
Lokswami Trading & Consultancy Services LLP	0.02			
Sahishnu Trading & Consultancy Services LLP	15.15			
Sughosh Trading & Consultancy Services LLP	13.70			
Vishvamurthi Trading & Consultancy Services LLP	0.01			
Shreeshaha Trading & Consultancy Services LLP	8.99			
Shreedaha Trading & Consultancy Services LLP	4.00			
Trilokatma Trading & Consultancy Services LLP	197.15			
Sumukh Trading & Consultancy Services LLP	243.18			





**ROYAL CUSHION VINYL PRODUCTS LIMITED**
**Notes on Financial Statements for the year ended 31st March, 2024**

(₹ in Lacs)

Nature of Transaction	2023-24		2022-23	
	Associates	Key Management Personnel & their Relative	Associates	Key Management Personnel & their Relative
<b>Remuneration</b>				
Mahesh K Shah		9.29		9.29
Deepti Parekh		8.61		6.65
Vivek D Motasha		11.04		11.04
<b>Loan Received</b>				
Mahesh K Shah		989.00		106.75
Jayesh A Motasha		148.40		436.81
Royal Spinwell & Developers Pvt Ltd	455.53		2,572.71	
<b>Conversation of Loan into Equity</b>				
Mahesh Shah	1,250.00			
Vinod Shah	400.00			
Trilokesh Trading & Consultancy Services LLP	275.00			
Shreedaha Trading & Consultancy Services LLP	400.00			
Lokswami Trading & Consultancy Services LLP	96.75			
Vishwamurthi Trading & Consultancy Services LLP	36.75			
<b>Loans w/back</b>				
Bhaktavatsala Trading & Consultancy Services LLP	64.86			
Shreeshaha Trading & Consultancy Services LLP	127.15			
Trilokatma Trading & Consultancy Services LLP	77.43			
<b>Loan Payable</b>				
Natroyal Industries Private Limited	1,633.16		1,856.66	
Shreedaha Trading & Consultancy Services LLP	-		4.00	
Trilokesh Trading & Consultancy Services LLP	-		287.13	
Shreeshaha Trading & Consultancy Services LLP	-		536.14	
Vishwamurthi Trading & Consultancy Services LLP	-		36.76	
Lokswami Trading & Consultancy Services LLP	-		96.77	
Bhaktavatsala Trading & Consultancy Services LLP	-		192.06	
Sahishnu Trading & Consultancy Services LLP	-		15.15	
Sughosh Trading & Consultancy Services LLP	-		13.70	
Trilokatma Trading & Consultancy Services LLP	-		274.58	
Sumukh Trading & Consultancy Services LLP	-		243.18	
Royal Spinwell & Developers Pvt Ltd	3,028.24		2,572.71	
Jayesh A Motasha		309.70		468.72
Mahesh K Shah		457.41		1,101.39
Vinod K Shah		27.61		427.61
Mukesh Motasha		2.70		2.70
<b>Trade Payable</b>				
Natroyal Industries Private Limited	1,199.09		1,299.98	

**Note 36 - Contingent Liabilities**

(₹ in Lacs)

Particulars	As at	As at
	31.03.2024	31.03.2023
Claims against the Company not acknowledged as debts		4,586.64
GST Showcause for year 2020-21	14.92	
GST Showcause for year 2019-20	64.34	
Excise duty on account of valuation / cenvat credit / service tax		1.23
Custom duty Liabilities disputed -CESTAT appeals filed with respect to Tribunal Mumbai/Vadodara	193.07	9.30
Income tax on account of disallowances / additions	46.00	46.62
Penalty Imposed by FERA /FEMA & disputed by Company	149.39	100.00


**Note 37 - Capital Commitments**

Capital expenditure contracted for, at the end of the reporting period but not recognised as liabilities is Rs. 1.59 lacs ( Previous year Nil)

**ROYAL CUSHION VINYL PRODUCTS LIMITED**

Notes on Financial Statements for the year ended 31st March, 2024

**Note 38 - 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	2023-24	2022-23
a. Net Profit/(loss) after Tax available for equity shareholders (₹)	29,421	19.44
b. Number of Equity Shares of ₹ 10/-each outstanding during the year (Nos. of Shares)	3,65,88,462	1,20,67,212
c. Basic/ Diluted Earnings Per Share (a/b) (₹)	138.48	0.16

**Note 39 - Below is the table showing fair value of Investment Property**

Investment Property:	31.03.2024	31.03.2023
i Amounts recognised in profit or loss for investment properties Rental income	39.29	3.79
ii Direct operating expenses for property that generated rental income		
Depreciation		(1.86)
<b>Profit from Investment Property</b>	<b>39.29</b>	<b>1.93</b>
iii Fair value	873.24	385.72
Estimation of fair value: Method of Estimation		
This fair value is based on valuation provided by independent valuer.		

**Note 40 -** 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 31.03.2024 are as under.

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

b) The total Capital of the Partners is ₹ 14.32 lacs (net)

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

**Note 41- Leases**

a) **Maturity Analysis of Lease Liabilities** (₹ in Lacs)

	31st March, 2024	31st March, 2023
<b>Maturity Analysis - Contractual undiscounted Cash Flows</b>		
Less than one year	36.00	110.25
One to five years	70.50	106.50
More than five years	-	-
<b>Total Undiscounted Lease Liabilities</b>	<b>106.50</b>	<b>216.75</b>
Discounting element	(14.64)	(39.48)
<b>Total discounted liabilities</b>	<b>91.86</b>	<b>177.27</b>
<b>Lease Liabilities included in the Statement of Financial Position</b>		
	31st March, 2024	31st March, 2023
Non Current	63.78	142.87
Current	28.08	34.40
<b>Total</b>	<b>91.86</b>	<b>177.27</b>

b) **Amount Recognized in the Statement of Profit & Loss**

	31st March, 2024	31st March, 2023
Interest on Lease Liabilities	11.99	6.02
Expenses relating to short-term leases	21.77	67.59
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets.	-	-
Depreciation on Lease Asset	49.03	38.72

c) Consequently, for all leases (other than short-term leases and leases of low-value assets), a right-of-use asset was recognized on the balance sheet for an amount equal to the liability for future lease payments, adjusted by the amount of any prepaid or accrued lease payments.





**ROYAL CUSHION VINYL PRODUCTS LIMITED**  
**Notes on Financial Statements for the year ended 31st March, 2024**

**Note 42-** Disclosure pursuant to Section 22 of "The Micro, Small & Medium Enterprises Development Act, 2006" is as follows:

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

Particulars	(₹ in Lacs)	
	As on 31.03.2024	As on 31.03.2023
i) Principal amount remaining unpaid at the end of the year	159.90	183.48
ii) Interest accrued at the end of the year	-	-
iii) Interest remaining unpaid, out of above, as at the end of the year	-	-
iv) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Act.	-	-

Note: This information has been determined to the extent such parties have been identified on this basis of information available with the Company. Further interest is not provided, as Company is incurring continuous losses and it is not in position to pay interest.

**Note 43** The Company has suffered substantial losses in past and due to this, the entire net worth has been eroded. Operations are Continued and the accounts of the Company have been prepared on the basis that, the Company is a going concern. The Promoters are bringing funds required for working capital in order to have smooth operations. Further the Promoters of the Company has given a Letter to provide continuous support to the Company, as and when required.

**Note 44** The Board of the Directors of the Company in its Board Meeting held on 04th January, 2022, has considered and approved draft Scheme of Arrangement ("Scheme") in the nature of merger / amalgamation of, Royal Spinwell and Developers Private Limited, a group company with the Company (Royal Cushion Vinyl Products Limited), with effect from the Appointed Date of October 1, 2021 under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Company received the NOC letter from BSE Ltd as required under Regulation 37 of SEBI, LODR and company had filled the application in NCLT in Oct 2023. Pursuant to the order dated December 15, 2023 read with the addendum order dated December 22, 2023 from Hon'ble National Company Law Tribunal, Mumbai Bench, Mumbai ("NCLT"), the Company had called meeting of its Shareholders and Unsecured Creditors on 12.02.2024. The coming into effect of the Scheme is subject to receipt of necessary statutory, regulatory and contractual approvals, permissions, consents, sanctions, exemption as may be required under applicable laws, regulations or guidelines in relation to the Scheme. Pending the coming into effect of the Scheme, these financial statements are prepared without giving effect to the provisions of the Scheme and as such, these financial statements are subject to revision / modification upon coming into effect of the Scheme.

Key Financial Ratios	Numerator	Denominator	March 31, 2024	March 31, 2023	variation	Reason for variation for >25%
Current ratio	Current Assets	Current Liabilities	0.28	0.12	124.62%	Improved due to fresh Equity funds & Conversion of loans to Equity
Debt equity ratio	Total Debt	Shareholder's equity	(3.47)	(1.07)	223.77%	Reductions in debts due to conversion & w/back of Loans
Debt Service Coverage ratio	Earning available for debt service	Debt service	(0.37)	(2.02)	-81.41%	Reduction in Debts and increase in Profit
Return on Equity Ratio	Net Profit after Taxes but before exceptional items	Average Shareholder's equity	(0.03)	(0.00)	5143.47%	Increase in Profit & increase in shareholders fund
Inventory turnover ratio	Revenue from operations	Average Inventory	12.56	12.83	-2.08%	
Trade receivable turnover ratio	Revenue from operations	Average Trade receiv.	13.77	20.91	-34.14%	Increase in receivables due to extended credit
Trade payable ratio	Net Purchases	Average Trade Payab	1.08	0.88	23.55%	
Net Capital Turnover ratio	Revenue from operations	Working Capital	(0.64)	(0.63)	1.08%	
Net profit ratio	Net Profit after Taxes but before exceptional items	Revenue from operations	0.10	0.00	2579.73%	Due to increase in profitability
Return on Capital employed	Earning before interest and taxes and exceptional items	Capital employed	0.19	(0.01)	1900.44%	Due to increase in profitability
Return on investment	Interest income	Term deposit and inve	0.55	(0.29)	-287.12%	Increase in Income

**Note 46 Income Tax Expenses**

Provision of Income tax is not done due to b/f losses. Further the Company proposes to opt for new income tax regime u/s 115BAA and hence there will be no MAT Tax liability. The deferred tax assets is recognised only to the extent of deferred tax liability.

DEFERRED TAX LIABILITY	(₹ in Lacs)		
	Deferred tax Balance as on 31-03-2023	Charge / (Credit) during the year	Deferred tax Balance as on 31-03-2024
Property, Plant & Equipment and Depreciation	227.91	(9.51)	218.39
Provision for Leave Encashment	(8.10)	0.26	(7.85)
Provision for Doubtful Debts	(590.38)	(0.21)	(590.59)
Provision for Gratuity	(47.79)	5.52	(42.27)
Unabsorbed Depreciation	(2,883.37)	1,504.95	(1,378.42)
Bonus	(2.01)	(2.26)	(4.27)
Others	(0.38)	(29.99)	(30.37)
<b>Net Deferred Tax Liability / (Assets)</b>	<b>(3,304.13)</b>	<b>1,468.76</b>	<b>(1,835.37)</b>



**ROYAL CUSHION VINYL PRODUCTS LIMITED**  
**Notes on Financial Statements for the year ended 31st March, 2024**

**Note 47** Sundry Debtors & Creditors (Including foreign suppliers) are subject to confirmation.

Note 48 - CIF Value of Import	(₹ in Lacs)	
	2023-24	2022-23
Raw Materials	233.93	448.42
Stores & Spares	8.05	-
Others	47.75	-
	<b>289.73</b>	<b>448.42</b>

Note 49 - Expenditure in foreign currency	(₹ in Lacs)	
	2023-24	2022-23
Foreign Travel	0.65	-

**Note 50** The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of accounts, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of accounts along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The Company uses the accounting software SAP for maintaining books of account. During the year ended 31 March 2024, the Company had not enabled the feature of recording audit trail (edit log) at the database level for the said accounting software SAP to log any direct data changes on account of recommendation in the accounting software administration guide which states that enabling the same all the time consume storage space on the disk and can impact database performance significantly. Audit trail

**Note 51 - Other regulatory information**

- The Company does not have any Benami property and no proceedings have been initiated or pending against the Company for holding any Benami properties, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- The Company do not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- The Company does not have any charge which is yet to be registered / satisfied with ROC beyond the statutory period.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Company has not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The Company has not traded or invested in Crypto currency or Virtual Currency during the current or previous year.
- The Company has not been declared as a 'Willful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

**Note 52** The figures of previous year have been regrouped / reclassified wherever necessary to compare with the current year's figures. Figures in brackets in the schedules and Notes pertain to previous year.

As per our report of even date  
**For MANEK & ASSOCIATES**  
 Chartered Accountants  
 Firm Reg. No. 126679W

*SHAILESH MANEK*



**SHAILESH MANEK**  
 (Partner)  
 Membership No. 34925  
 Place : MUMBAI.  
 Date : 29.05.2024

For and on behalf of Board of Directors

*JAYESH A MOTASHA*  
**JAYESH A MOTASHA**  
 Director  
 00054236

*AVANI PANDIT*  
**AVANI PANDIT**  
 Director  
 08386003

*DEEPTI PAREKH*  
**DEEPTI PAREKH**  
 Company Secretary  
 ACS60978  
 Place : MUMBAI.  
 Date : 29.05.2024

*VIVEK D MOTASHA*  
**VIVEK D MOTASHA**  
 Chief Financial officer



ROYAL CUSHION VINYL PRODUCTS LIMITED

ANNUAL ACCOUNTS

2022-23



### INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ROYAL CUSHION VINYL PRODUCTS LIMITED

Report on the Audit of the Standalone Financial Statements

#### Opinion

1. We have audited the standalone financial statements of **ROYAL CUSHION VINYL PRODUCTS LIMITED** ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2023, and the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS") specified u/s 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2023, and its profit (financial performance including other comprehensive income, changes in equity), its cash flows and the changes in equity for the year ended on that date.

#### 3. Basis of Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act 2013 (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Emphasis of Matter

1. We draw your attention to Note No.20 to the financial statement with respect to the Profit on Sale of Fixed Assets comprising of sale of Factory Land. Profit on sale of asset is Rs. 1876 lacs, grouped under the head other income.
2. We draw your attention to Note No. 14.1.(b) to the financial statement with respect to the payment of borrowing (Term Loan) with The Baroda City Co Operative bank Ltd. Accordingly interest Rs.73.05 lacs paid and principal of Rs. 32.68 lacs paid towards repayment of loan.





## **Key Audit Matters**

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

## **Information Other than the Financial Statements and Auditor's Report Thereon**

5. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including annexure to Board's Report, but does not include the Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

6. The Company's Board of Directors is responsible for the matter stated in Section 134(5) of the Companies Act, 2013 with respect to preparation and presentation of these Financial Statements in terms of the requirements of the Act that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and statement of changes in equity of the Group including its associates in accordance with the 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. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view



and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Financial Statements by the Directors of the Company, as aforesaid.

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

Those respective Board of Directors of the are also responsible for overseeing the financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements** Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on





the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the

related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit finding, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirement regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

9. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, the Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.



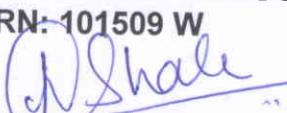
- e) On the basis of written representations received from the directors as on 31 March, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy 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".
- g) With respect to other matter to be included in the Auditor's Report in accordance with the requirement of section 197(16) of the Act, as amended in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in the standalone financial statements; Refer Note 32 to financial statements;
- ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. there were no amount which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31<sup>st</sup> 2023;
- iv. i. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed fund or share premium or any other sources of kind of funds) by the Company to or in any other person(s) or entity (ies), including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly land or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company("ultimate beneficiaries"), or provide any guarantee, security or the like on behalf of ultimate beneficiaries;
- ii. The management has represented that, to the best of its knowledge and belief, that no funds have been received by the Company from any person(s) or entity (ies), including foreign entities ("funding parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly land or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("ultimate beneficiaries"), or provide any guarantee, security or the like on behalf of ultimate beneficiaries; and





- iii. Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub-clause (i) and (ii) of the Rule 11(e) contained any material mis-statement.
- v. There is no dividend declared or paid during the year by the Company and hence provision of section 123 of the Companies Act, 2013 are not applicable.

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

  
CA AMIT SHAH  
PARTNER  
M. No.: 126337  
PLACE: VADODARA  
DATE: 29/05/2023  
UIDN: 23126337BGSPIH2152



## **Annexure “B” to the Independent 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 LIMITED** (“the Company”) as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company’s management and the Board of Directors are 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 control over the financial reporting issued by the Institute of Chartered Accountants of India . These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements of the company that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 (hereinafter referred to as “the Act”).

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to standalone financial statements 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, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements of the company were established and maintained and if such controls operated effectively in all material respects;

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to financial statements of the company and their operating effectiveness. Our audit of internal financial controls over the 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 Auditors’ judgment, including the assessment of the risks of material misstatement of the standalone 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, to the best of our information and according to explanation given to us, the Company has, in all material respects, an internal financial controls with reference to standalone financial statements of the company and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal financial controls over the 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 (the "Guidance Note").

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

  
CA AMIT SHAH  
PARTNER  
M. No.: 126337  
PLACE: VADODARA  
DATE: 29/05/2023



## ANNEXURE "A" TO THE AUDITORS' REPORT

Annexure "A" to the our Independent Auditor's Report to the members of Royal Cushion Vinyl Products Limited, on the standalone financial statements for the year ended March 31st 2023.

To the best of our information and according to the explanations provided to us be the company and the books of account and records examined by us in the normal course of audit, we state that:

### Annexure A

1(a)(A)	The Company has maintained proper records showing full particulars including quantitative details and situation of the property, plant and equipments;
1(a)(B)	The Company has maintained proper records showing full particulars of Intangible Assets;
1(b)	The company has a phased programme of physical verification of its Property, plant and equipments so as to cover all assets once in three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets. In accordance with this program, certain Property, plant and equipments were verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification;
1(c)	Based on our verification of the documents provided to us and according to the information and explanations given by the Management, the title deeds of all the immovable properties as disclosed in the financial statements, are held in the name of the Company as at the Balance Sheet date;
1(d)	According to information and explanations given to us, the company has not revalued its Property, Plant and Equipment and intangible assets during the year;
1(e)	As disclosed in note no. 48 to the accounts and as verified by us, no proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made there under;
2(a)	As per the information and explanations given to us, the inventories held by the company have been physically verified by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable and no discrepancies of 10% or more in aggregate for each class of inventory were noticed on physical verification;
2(b)	Based on our verification of the documents provided to us and according to the information and explanations given by the Management, the working capital limits sanctioned to the Company from banks or financial institutions does not exceed Rs. 5 crore and hence the requirements of paragraph 3(ii)(b) of the Companies (Auditor's Report) Order, 2020 ("the Order") are not applicable to the Company.





3

The Company has made investments in mutual funds and granted unsecured loans to other parties, during the year, in respect of which

- (a) The Company has provided unsecured loan to its employees during the year and details of which are as follow;

Unsecured loans	Aggregate amount granted/Provided during the year	Balance outstanding as at balance sheet date in respect of loans:
- Employees	Rs. 16.78 lacs	Rs. 4.37 lacs

- (b) In our opinion, the terms and conditions of the grant of loans are prima facie, not prejudicial to the Company's interest;
- (c) The repayment of principal and payment of interest is been stipulated and the same are regular;
- (d) In respect of the aforesaid loan, there is no amount which is overdue for more than ninety days;
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties;
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable;

Other than that mentioned above, the company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnership or any other parties;

4

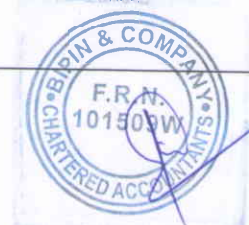
Based on our verification of the documents provided to us and according to the information and explanations given by the Management, in respect of loans, investments, guarantees, and security, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013;

5

The company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and other relevant provisions of the Act and rules made there under;

6

We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



7(a)	<p>In our opinion, the company is generally regular in depositing undisputed statutory dues including Goods and Service tax , provident fund, employee state insurance, income-tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues as applicable to the appropriate authorities. There were no undisputed amounts payable with respect to above statutory dues in arrears as at March 31, 2023 for a period of six months from the date they became payable, except below;</p> <table border="1" data-bbox="311 436 1396 515"> <thead> <tr> <th>NAME OF THE STATUTE</th> <th>NATURE OF THE DUE</th> <th>AMOUNT( In lacs)</th> </tr> </thead> <tbody> <tr> <td>Custom Act</td> <td>Custom Duty</td> <td>5683.95</td> </tr> </tbody> </table>	NAME OF THE STATUTE	NATURE OF THE DUE	AMOUNT( In lacs)	Custom Act	Custom Duty	5683.95																								
NAME OF THE STATUTE	NATURE OF THE DUE	AMOUNT( In lacs)																													
Custom Act	Custom Duty	5683.95																													
7(b)	<p>According to the records of the company examined by us and information and explanations given by the management, there are statutory dues that has not been deposited on account of disputes;</p> <table border="1" data-bbox="311 716 1444 1209"> <thead> <tr> <th>Sr. No.</th> <th>Nature of the Status</th> <th>Nature of the due</th> <th>Amount In lacs</th> <th>Period to which the amount relate</th> <th>Forum where dispute is Pending</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>The Central Excise Act</td> <td>Custom Duty</td> <td>9.30</td> <td>Various year</td> <td>Commissioner Vadodara</td> </tr> <tr> <td>2.</td> <td>The FERA Act</td> <td>Penalty</td> <td>100.00</td> <td>2002-03</td> <td>Appellate Authority FERA New Delhi</td> </tr> <tr> <td>3</td> <td>The Income Tax Act</td> <td>Penalty</td> <td>46.62</td> <td>Various years</td> <td>Various Authorities</td> </tr> <tr> <td>4</td> <td>The Central Excise Act</td> <td>Excise Duty</td> <td>1.23</td> <td>Various Year</td> <td>Commissioner Vadodara</td> </tr> </tbody> </table>	Sr. No.	Nature of the Status	Nature of the due	Amount In lacs	Period to which the amount relate	Forum where dispute is Pending	1.	The Central Excise Act	Custom Duty	9.30	Various year	Commissioner Vadodara	2.	The FERA Act	Penalty	100.00	2002-03	Appellate Authority FERA New Delhi	3	The Income Tax Act	Penalty	46.62	Various years	Various Authorities	4	The Central Excise Act	Excise Duty	1.23	Various Year	Commissioner Vadodara
Sr. No.	Nature of the Status	Nature of the due	Amount In lacs	Period to which the amount relate	Forum where dispute is Pending																										
1.	The Central Excise Act	Custom Duty	9.30	Various year	Commissioner Vadodara																										
2.	The FERA Act	Penalty	100.00	2002-03	Appellate Authority FERA New Delhi																										
3	The Income Tax Act	Penalty	46.62	Various years	Various Authorities																										
4	The Central Excise Act	Excise Duty	1.23	Various Year	Commissioner Vadodara																										
8	<p>As disclosed in note no. 47 to the accounts and as verified by us, there were no transactions which were not recorded in the books of account, have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961;</p>																														
9(a)	<p>The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender except ;</p> <table border="1" data-bbox="311 1556 1428 1646"> <thead> <tr> <th>NAME OF BANKs/ INSTITUTIONs</th> <th>AMOUNT</th> </tr> </thead> <tbody> <tr> <td>Finquest Financial Solution Private Limited.</td> <td>23260.44 lacs</td> </tr> </tbody> </table>	NAME OF BANKs/ INSTITUTIONs	AMOUNT	Finquest Financial Solution Private Limited.	23260.44 lacs																										
NAME OF BANKs/ INSTITUTIONs	AMOUNT																														
Finquest Financial Solution Private Limited.	23260.44 lacs																														
9(b)	<p>As disclosed in note no. 47 to the accounts and as verified by us, the company is not declared as wilful defaulter by any bank or financial institution or other lender;</p>																														
9(c)	<p>Based on the procedures performed by us and according to the information and explanations given by the Management, the term loans taken by the company were applied for the purpose for which the loans were obtained;</p>																														
9(d)	<p>On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company;</p>																														





9(e)	According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures
9(f)	According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries. associates or joint ventures
10(a)	The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;
10(b)	During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable;
11(a)	During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any incidence of fraud on or by the Company noticed or reported during the year, nor we have been informed of any such case by the management;
11(b)	No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
11(c)	As represented to us by the management, there are no whistle blower complaints received by the company during the year.
12	The Company is not a nidhi company and hence the reporting under clause 3(xii) of the order is not applicable to the Company
13	In our opinion , all the transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards;
14(a)	The Company has as internal audit system commensurate with the size and nature of its business
14(b)	The internal audit reports of the Company issued till the date of Audit report, for the period under audit have been considered by us.
15	In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him and the provisions of section 192 of the Companies Act, 2013 are not applicable;
16(a)	In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable;
16(b)	There is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable;



17	The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year;
18	There is no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) is not applicable;
19	<p>Based on our examination of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, knowledge of the Board of Directors and management plans, there is no material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;</p> <p>We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;</p>
20(a) & (b)	The provisions of Corporate Social Responsibility (CSR) are not applicable to the company therefore reporting under clause 20(a) and (b) is not applicable.
21	The Company is not required to prepare consolidated financial statements; therefore reporting under clause 3(xxi) of the Order is not applicable.

PLACE: Vadodara  
DATE:29/05/2023



FOR BIPIN & CO.  
Chartered Accountants  
FRN. : 101509W

AMIT D SHAH (PARTNER)  
MEMBERSHIP NO. : 126337



ROYAL CUSHION VINYL PRODUCTS LIMITED  
Balance Sheet as at 31<sup>st</sup> March, 2023

(Amount in lacs )

Particulars	Note No.	As at 31st Mar, 2023	As at 31st March,2022
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property Plant and Equipment	3	1,086.18	1,193.92
(b) Right of use assets	3	159.28	58.74
(c) Investment Property	3	21.37	23.23
(d) Financial assets			-
(i) Investments	4	(6.43)	17.73
(ii) Other Financial Assets	5	95.28	95.49
<b>Total Non Current assets</b>		<b>1,355.69</b>	<b>1,389.11</b>
<b>(2) Current Assets</b>			
(a) Inventories	6	578.38	935.74
(b) Financial Assets		-	-
(i) Trade Receivables	7	153.58	344.72
(ii) Cash and Cash Equivalents	8	33.72	80.98
(iii) Bank Balances other than Cash and Cash Equivalents	9	15.57	20.40
(iv) Loans	10	4.37	9.81
(c) Other Current Assets	11	691.50	660.71
(d) Current Tax Assets		36.12	31.80
<b>Total current assets</b>		<b>1,513.24</b>	<b>2,084.15</b>
<b>TOTAL ASSETS</b>		<b>2,868.92</b>	<b>3,473.26</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	12	1,206.72	1,206.72
(b) Other Equity	13	(41,565.64)	(41,576.18)
<b>TOTAL EQUITY</b>		<b>(40,358.92)</b>	<b>(40,369.46)</b>
<b>Liabilities</b>			
<b>(1) Non-current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14	32,229.47	30,213.08
(ii) Lease Liabilities		142.87	25.59
(b) Provisions	15	5,880.78	5,876.49
<b>Total Non-current liabilities</b>		<b>38,253.11</b>	<b>36,115.17</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14	226.21	245.77
(ii) Lease Liabilities		34.40	49.66
(iii) Trade Payables	16		
- Due to Micro and Small Enterprises		183.48	586.70
- Other than Micro and Small Enterprises		3,655.44	5,519.83
(b) Other current liabilities	17	849.95	1,309.16
(c) Provisions	18	25.26	16.45
<b>Total current liabilities</b>		<b>4,974.73</b>	<b>7,727.56</b>
<b>Total liabilities</b>		<b>43,227.84</b>	<b>43,842.73</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,868.92</b>	<b>3,473.26</b>

The accompanying Notes are an integral part of the Financial Statements

1 to 48

As per our report of even date

For and on behalf of Board of Directors

For BIPIN & CO.  
Chartered Accountants  
Firm Reg. No. 101509W

AMIT SHAH  
(Partner)  
Membership No. 126337

Place: VADODARA  
Date: 29/05/2023



*Mahesh K. Shah*

MAHESH K. SHAH  
Chairman & Managing Director  
00054351

*Deepti Parekh*

DEEPTI PAREKH  
Company Secretary  
ACS60978

Place: MUMBAI  
Date: 29/05/2023

*Jayesh A. Motasha*

JAYESH A. MOTASHA  
Director  
00054236

*Vivek Motasha*

VIVEK A. MOTASHA  
Chief Financial officer

ROYAL CUSHION VINYL PRODUCTS LIMITED  
Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2023

(Amount in lacs )

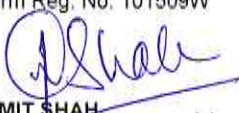
Particulars	Note No.	for the year ended 31st Mar,2023	for the year ended 31st March,2022
Revenue from Operations	19	5,209.25	6,896.87
Other Incomes	20	1,865.90	45.23
<b>Total Income</b>		<b>7,075.14</b>	<b>6,942.11</b>
<b>Expenses</b>			
Cost of Materials Consumed	21	4,364.63	6,215.99
Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress	22	335.71	105.90
Employee Benefits Expense	23	544.10	546.92
Finance Costs	24	374.92	311.60
Depreciation and Amortization Expense	1	128.56	110.93
Other Expenses	25	1,307.79	1,198.59
<b>Total Expenses</b>		<b>7,055.71</b>	<b>8,489.94</b>
Profit/(Loss) before exceptional items and tax		19.44	(1,547.83)
Exceptional Items		-	6,261.24
Profit/(Loss) before tax		19.44	4,713.41
Tax Expense:			
(1) Current Tax		-	-
(2) Deferred tax		-	-
Profit/(loss) for the period from continuing operations		19.44	4,713.41
Profit/(loss) from discontinued operations			
Tax expense of discontinued operations			
Profit/(loss) from discontinued operations (after tax)		-	-
<b>Profit/(Loss) for the period after Tax</b>		<b>19.44</b>	<b>4,713.41</b>
<b>Other Comprehensive Income</b>			
A Items that will not be reclassified to profit or loss			
(i) Remeasurement of defined benefit plans		(8.89)	(0.54)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Total other comprehensive income</b>		<b>(8.89)</b>	<b>(0.54)</b>
<b>Total Comprehensive Income for the period (Comprising Profit / (Loss) and Other Comprehensive Income for the period)</b>		<b>10.55</b>	<b>4,712.86</b>
Earnings per equity share ( for continuing operations):			
(1) Basic		0.16	39.06
(2) Diluted		0.16	39.06
The accompanying Notes are an integral part of the Financial Statements	1 to 48		

As per our report of even date

For and on behalf of Board of Directors

For BIPIN & CO.

Chartered Accountants  
Firm Reg. No. 101509W

  
AMIT SHAH  
(Partner)  
Membership No. 126337

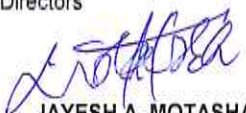
Place : VADODARA  
Date : 29/05/2023



  
MAHESH K. SHAH  
Chairman & Managing Director  
00054351

  
DEEPTI PAREKH  
Company Secretary  
ACS60978

Place : MUMBAI  
Date : 29/05/2023

  
JAYESH A. MOTASHA  
Director  
00054236

  
VIVEK . MOTASHA  
Chief Financial officer



**ROYAL CUSHION VINYL PRODUCTS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023**

<b>(a) Equity share capital</b> <span style="float: right;">(Amount in lacs )</span>			
Balance at the beginning of the reporting period		Changes in the equity share capital during the year	Balance at the end of the reporting period
Number of Shares	1,20,67,212		1,20,67,212
Value of Shares	1,206.72		1,206.72

<b>(b) Other equity</b> <span style="float: right;">(Amount in lacs )</span>					
Particulars	Reserve & Surplus				Total
	Capital reserves	Securities Premium	Investment Allowance Reserve	Retained Earnings	
Balance at the end of the reporting period i.e. 31.03.2021	6.49	7,232.25	45.34	(53,573.13)	(46,289.05)
Profit / (Loss) for the period	-	-	-	4,713.41	4,713.41
Other Comprehensive Income / (Loss) *	-	-	-	(0.54)	(0.54)
Total Other comprehensive income for the year	-	-	-	4,712.86	4,712.86
Addition/( deletion ) during the year					
Balance at the end of the reporting period i.e. 31.03.2022	6.49	7,232.25	45.34	(48,860.27)	(41,576.18)
Profit / (Loss) for the period	-	-	-	19.44	19.44
Other Comprehensive Income / (Loss) *	-	-	-	(8.89)	(8.89)
Total Other comprehensive income for the year	-	-	-	10.55	10.55
Addition/( deletion ) during the year					
Balance at the end of the reporting period i.e. 31.03.2023	6.49	7,232.25	45.34	(48,849.72)	(41,565.64)

\* Represents remeasurements of defined benefit plans

## CASH FLOW STATEMENT

(Amount in lacs)

Particulars	Year ended 31.03.2023 (Audited)	Year ended 31.03.2022 (Audited)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Tax	19.44	-
Adjustment for :		
Depreciation	128.56	110.93
Finance Cost	374.92	311.60
Remeasurements of the defined benefit plans A/c	(8.89)	(0.54)
Interest Received	1.23	(5.18)
(-) Profit/Loss on Sale of fixed assets	(1,858.41)	(26.82)
Income Tax Refund	-	-
Lease Rent received	(3.79)	(13.23)
Share of (Profit) loss from Partnership firm	(1.88)	-
Unclaimed Liabilities / Balance Written Back	-	-
<b>Operating profit before working capital changes</b>	<b>(1,368.26)</b>	<b>(6,261.24)</b>
Adjustment for :		
<b>A-1 (Increase)/Decrease in Inventories</b>	<b>367.36</b>	<b>225.36</b>
(Increase)/Decrease in trade & other receivables	191.14	(71.96)
(Increase)/Decrease in loans & advances	(29.46)	(141.17)
Increase/(Decrease) in trade payables	(2,267.61)	545.31
Increase/(Decrease) in other current liabilities	(459.21)	463.25
Increase/(Decrease) in provisions	13.09	12.62
<b>Net Cash from operating activities</b>	<b>(3,543.52)</b>	<b>1,033.42</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(148.61)	(117.35)
Sale of fixed assets	1,887.51	118.17
Sale/Revaluation of Investments	24.17	0.00
Interest Received	(1.23)	5.18
Lease Rent received	3.79	13.23
<b>Net Cash Used for Investing Activities</b>	<b>1,767.52</b>	<b>19.23</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowing	2,098.84	446.39
Lease rental paid	(11.20)	(42.18)
(Increase)/decrease in Fixed deposit	4.83	(0.36)
Interest paid	(363.72)	(269.42)
<b>Net Cash Used from Financing Activities</b>	<b>1,728.75</b>	<b>134.44</b>
Net Increase in cash and cash collection (A+B+C)	(47.26)	16.01
Cash & Cash Equivalents at the beginning of the year	80.98	64.97
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>33.72</b>	<b>80.98</b>

## Cash and Cash Equivalents shall comprise of:-

Particulars	Amount in ₹	Amount in ₹
a. Balances with banks	33.10	80.59
b. Cash on hand	0.62	0.39
<b>Total</b>	<b>33.72</b>	<b>80.98</b>

The above Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 7 "Standard of Cash Flow"  
The accompanying notes are an integral part of the Ind AS Financial statements

As per our report of even date.

For and on behalf of Board of Directors

For BIPIN & CO.  
Chartered Accountants  
Firm Reg. No. 101509W

AMIT SHAH  
(Partner)  
Membership No. 126337

Place : MADODARA  
Date : 29/05/2023



MAHESH K SHAH  
Chairman & Managing Director  
00054351

DEEPTI PAREKH  
Company Secretary  
ACS60978

Place : MUMBAI  
Date : 29/05/2023

JAYESH A. MOTASHA  
Director  
00054236

VIVEK . MOTASHA  
Chief Financial officer



# ROYAL CUSHION VINYL PRODUCTS LIMITED

Notes to the Financial Statements for the year ended 31st March 2023

## 1. CORPORATE INFORMATION:

Royal Cushion Vinyl Products Ltd. (RCVP), CIN L24110MH1983PLC031395, having registered office at 60 Cd Shlok, Govt Industrial Estate, Charkop, Kandivali (West), Mumbai and plant at Plot no. 55, Village Garadhia, Dist Vadodara, Gujarat. The Company's Equity shares are listed in BSE Ltd. The Company is engaged in manufacturing of Vinyl Flooring, PVC Sheeting and Artificial Leather cloth for commercial, residential, Transport and contract range as per the industries need and under the brand name "Royal House."

## 2. SIGNIFICANT ACCOUNTING POLICIES TO FINANCIAL STATEMENTS:

### 2.1 Basis for preparation of financial accounting

#### (i) Statement of Compliance

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

#### (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



# ROYAL CUSHION VINYL PRODUCTS LIMITED

## Notes to the Financial Statements for the year ended 31st March 2023

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 derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

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

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

### Depreciation:

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

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

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

### b) Intangibles

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

De-recognition of intangible assets



# ROYAL CUSHION VINYL PRODUCTS LIMITED

## Notes to the Financial Statements for the year ended 31st March 2023

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

Raw Material are valued at lower of moving weighted average cost and net realizable value.

Finished goods are valued at lower of cost or net realizable value.

The cost of work in progress and finished goods comprises direct material, direct labour, other direct cost and related production overheads.

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

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### d) Impairment of non-financial assets

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

### e) Revenue Recognition

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

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

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

Contract balances

Contract assets

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

Trade receivables



## ROYAL CUSHION VINYL PRODUCTS LIMITED

### Notes to the Financial Statements for the year ended 31st March 2023

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

#### Contract liabilities

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

#### Dividend

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

#### Interest income

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

#### e) Cash Flow Statement

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

#### f) Leases

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

#### The Company as a lessee

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

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

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

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



## ROYAL CUSHION VINYL PRODUCTS LIMITED

### Notes to the Financial Statements for the year ended 31st March 2023

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

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

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

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

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

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

#### Company as a lessor-

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

#### **g) Foreign Currency Transactions**

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

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



# ROYAL CUSHION VINYL PRODUCTS LIMITED

Notes to the Financial Statements for the year ended 31st March 2023

## h) Taxation

### Current Income Taxes:

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

### Deferred Tax

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

### MAT Credit:

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

## i) Employee Benefits

### Short term employee benefits:

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

### Post-Employment benefits:

Defined benefit plans: All employees are covered under Employees' Gratuity Scheme., the liability is 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.



# ROYAL CUSHION VINYL PRODUCTS LIMITED

## Notes to the Financial Statements for the year ended 31st March 2023

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

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

### j) **Borrowing Costs**

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

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

#### *Provisions*

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

#### *Contingent Liability and Contingent Assets*

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

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

#### *Onerous Contract*

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

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

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

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

### m) **Government Grants**

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. When the grant



# ROYAL CUSHION VINYL PRODUCTS LIMITED

## Notes to the Financial Statements for the year ended 31st March 2023

relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

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

### n) Cash and cash equivalents

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

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

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

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

### p) Financial Instruments

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

#### **Financial assets**

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

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

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

##### *Subsequent measurement-*

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

- i. Financial assets measured at amortized cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets measured at fair value through profit or loss (FVTPL)

*i. A financial asset that meets the following two conditions is measured at amortized cost.*

- **Business Model test:** The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- **Cash flow characteristics test:** Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

*ii. A financial asset that meets the following two conditions is measured at fair value through OCI:-*

- **Business Model test:** The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- **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.



# ROYAL CUSHION VINYL PRODUCTS LIMITED

## Notes to the Financial Statements for the year ended 31st March 2023

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 derecognized (i.e. removed from the Company's balance sheet) when:

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

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

### *Impairment of financial assets-*

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

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

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

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

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

### *Financial liabilities-*

#### *Initial recognition and measurement-*

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



# ROYAL CUSHION VINYL PRODUCTS LIMITED

Notes to the Financial Statements for the year ended 31st March 2023

## *Subsequent measurement-*

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

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

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

## *Derecognition-*

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

## *Offsetting of financial instruments*

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

## **q) Fair Value Measurement**

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

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

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

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



# ROYAL CUSHION VINYL PRODUCTS LIMITED

Notes to the Financial Statements for the year ended 31st March 2023

## r) Segment Reporting

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

## s) Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

### (i) Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

### (ii) Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.

**03:PROPERTY, PLANT & EQUIPMENT**

(Amount in lacs)

Particulars	Land	Buildings	Plant & Equipment	Furniture & Fittings	Office Equipments	Total	Capital Work In progress
As at March 31, 2021	36.27	539.73	1,202.00	10.49	44.51	1,833.01	52.62
Additions	54.58		60.97		1.81	117.35	
Disposals			(38.72)			(38.72)	(52.62)
As at March, 2022	90.85	539.73	1,224.25	10.49	46.32	1,911.63	
Additions			8.42		0.93	9.34	
Disposals	(26.46)		(52.79)			(79.25)	
As at March 31, 2023	64.39	539.73	1,179.87	10.49	47.24	1,841.72	-

**Accumulated depreciation and Impairment**

As at March 31, 2021		201.49	421.05	4.97	18.69	646.30	
Depreciation for the year		22.76	44.43	(0.00)	4.33	71.51	
Impairment							
Disposals							
As at March 31, 2022		224.24	465.49	4.97	23.02	717.82	
Depreciation for the year		22.99	56.60	0.75	7.63	87.98	
Impairment							
Disposals			(50.15)			(50.15)	
As at March 31, 2023		247.23	471.94	5.72	30.65	755.65	

**Carrying amount**

As at March 31, 2022	90.85	315.49	758.76	5.52	23.30	1,193.92	-
As at March 31, 2023	64.39	292.50	707.93	4.77	16.59	1,086.18	-

**Investment Property**

Particulars	Land	Building	Total
<b>Cost</b>			
As at March 31, 2021	0.47	33.87	34.33
Additions	-	-	-
Disposals	-	-	-
As at March, 2022	0.47	33.87	34.33
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2023	0.47	33.87	34.33
<b>Accumulated depreciation and Impairment</b>			
As at March 31, 2021	-	9.24	9.24
Depreciation for the year	-	1.86	1.86
Impairment	-	-	-
Disposals	-	-	-
As at March, 2022	-	11.10	11.10
Depreciation for the year	-	1.86	1.86
Impairment	-	-	-
Disposals	-	-	-
As at March 31, 2023	-	12.96	12.96

**Carrying amount**

As at March 31, 2022	0.47	22.76	23.23
As at March 31, 2023	0.47	20.91	21.37

**Right to Use Assets**

(Amount in lacs)

Particulars	Building	Forklift	Lamination & Print Line	Total
Net carrying value as at March 31, 2021	32.77	63.54	-	96.30
Additions during the year				
Deletions during the year				
Less: Dep. expense during the year 2021-22	(16.38)	(21.18)		(37.56)
Net carrying value as at March 31, 2022	16.38	42.36	-	58.74
Additions during the year			139.27	139.27
Deletions during the year				
Less: Dep. expense during the year 2022-23	(16.38)	(21.18)	(1.16)	(38.72)
Net carrying value as at March 31, 2023	-	21.18	138.11	159.28



ROYAL CUSHION VINYL PRODUCTS LIMITED  
Notes on Financial Statements for the year ended 31<sup>st</sup> March 2023

04. INVESTMENT-NON-CURRENT

(Amount in lacs )

Particulars	Units	As at	
		31 <sup>st</sup> March, 2023	31st March, 2022
Long Term Investment (at cost)			
A Investment In Shares			
i) <u>Unquoted : (Non Trade) in Equity</u>			
<u>Investment in Shares of Subsidiary Company :</u>			
4,50,200 Shares (PY.4,50,200) In Euroroyal Floors Limited (U.K.) of STG pound 1 (one) each fully paid up.	4,50,200	259.31	259.31
Less : provision for diminution in value of investment	4,50,200	259.31	259.31
		-	-
30,000 (PY 30.000) equity shares in AB Corp Ltd of ₹ 10/- each fully paid up.	30,000	24.75	24.75
Less : Provision for Diminution in value of Investment	30,000	24.75	24.75
		-	-
7,500 (PY.7,500) shares in Baroda City Co-op Bank Ltd. of ₹ 10/- each fully paid up.	7,500	0.75	0.75
1,416 (PY.1,416) shares in Saraswat Co-op Bank Ltd. of ₹ 10/- each fully paid up.	1,416	0.21	0.21
B <u>Government Securities</u>			
National Saving Certificates ( Pledged with Government Authorities )		0.02	0.02
C <u>Investment by way of capital in a partnership firm</u>			
Creative Investment		(7.41)	16.75
<b>Total</b>		<b>(6.43)</b>	<b>17.73</b>

Particulars	As at	
	31 <sup>st</sup> March, 2023	31st March, 2022
Aggregate amount of unquoted investments	285.02	285.02
Aggregate Provision for the diminution in Value of Investments	284.06	284.06

4.1) The Company has made an investment of ₹. 259.31 lacs ( £ 450.200) In Euroroyal Floors Ltd. ("ERF") wholly owned subsidiary In U.K. The subsidiary also owes ₹ 2333.76 lacs ( Net of commission payable ₹ 106.19 lacs ) towards supply of goods made to it. The principal customers of ERF in Russia did not honour the debts, Due to this ERF in turn, could not pay its creditors. The Company has been informed by the ex-local Directors of ERF that one of the creditors had filed a suit for winding-up of ERF pursuant to which the High Court of Justice of U.K. made a winding-up order dated 11th June, 2001 against ERF and the official receiver has been appointed to liquidate the assets of ERF. Thereafter order dated 12/03/2002 was passed and ERF is dissolved Under the circumstances , the Management had provided for diminution in value of investment made in ERF in the year 2000-01. As also, provision against the debt of ₹ 2333.76 lacs due from ERF had been made during the earlier year.

05. OTHER FINANCIAL ASSETS-CURRENT

Particulars	As at	
	31st March, 2023	31st March, 2022
Deposits	95.28	95.49
<b>Total</b>	<b>95.28</b>	<b>95.49</b>

06. INVENTORIES

Particulars	As at	
	31st March, 2023	31st March, 2022
Raw materials	119.53	128.34
Work-in-progress	154.99	455.85
Finished goods	187.81	222.66
Packing Materials	14.64	25.39
Consumable Stores	101.41	102.35
Fuel	-	1.15
<b>Total</b>	<b>578.38</b>	<b>935.74</b>

07. TRADE RECEIVABLES

Particulars	As at	
	31st March, 2023	31st March, 2022
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	30.53	178.83
Considered Doubtful	2,345.74	2,345.74
	2,376.27	2,524.57
Less : Provision for Doubtful Debts	2,345.74	2,345.74
	30.53	178.83
Others (Considered good)	123.05	165.80
<b>Total</b>	<b>153.58</b>	<b>344.72</b>

**7.1) Trade Receivables ageing schedule as at 31st March, 2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	123.05	7.57	2.84	0.76	19.36	153.58
(ii) Undisputed Trade receivables -considered doubtful	-	-	-	-	2,345.74	2,345.74
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-
(v) Allowance for doubtful trade receivables	-	-	-	-	(2,345.74)	(2,345.74)
<b>Total</b>	<b>123.05</b>	<b>7.57</b>	<b>2.84</b>	<b>0.76</b>	<b>19.36</b>	<b>153.58</b>

**Trade Receivables ageing schedule as at 31st March, 2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	165.89	158.09	1.02	0.63	19.09	344.72
(ii) Undisputed Trade receivables -considered doubtful	-	-	-	-	2,345.74	2,345.74
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-
(v) Allowance for doubtful trade receivables	-	-	-	-	(2,345.74)	(2,345.74)
<b>Total</b>	<b>165.89</b>	<b>158.09</b>	<b>1.02</b>	<b>0.63</b>	<b>19.09</b>	<b>344.72</b>

**08. CASH AND CASH EQUIVALENTS**

Particulars	As at 31st March, 2023	As at 31st March, 2022
a. Balances with banks	33.10	80.59
b. Cash on hand	0.62	0.39
<b>Total</b>	<b>33.72</b>	<b>80.98</b>

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
Fixed Deposit with banks	15.57	20.40
<b>Total</b>	<b>15.57</b>	<b>20.40</b>

Fixed deposit of ₹ 15.57 lacs (P.Y. ₹ 20.40 lacs) , held as security deposit against Bank Guarantee.

**10. LOANS-CURRENT**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances to Employees	4.37	9.81
<b>Total</b>	<b>4.37</b>	<b>9.81</b>

**11. OTHER CURRENT ASSETS**

(Unsecured, considered good)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Prepaid Expenses	1.61	10.28
Advances to Suppliers	53.56	23.99
Balance with Government authorities	636.33	626.43
<b>Total</b>	<b>691.50</b>	<b>660.71</b>

**12. SHARE CAPITAL**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Authorised : 30,000,000 (Previous year 30,000,000)		
Equity Shares of ₹ 10/- each	3,000.00	3,000.00
Issued, Subscribed & Paid up 1,20,67,212		
( Previous Year 1,20,67,212) Equity Shares of ₹ 10/- each fully paid up	1,206.72	1,206.72
<b>Total</b>	<b>1,206.72</b>	<b>1,206.72</b>

**12.1) Rights of Equity Shareholders**

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



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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Numbers	₹	Numbers	₹
Shares outstanding at the beginning of the year	1,20,67,212	1,206.72	1,20,67,212	1,206.72
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,20,67,212	1,206.72	1,20,67,212	1,206.72

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

	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1 Bhaktavatsala Trading & Consultancy Services LLP	10,35,210	8.58	10,35,210	8.58
2 Sahishnu Trading & Consultancy Services LLP	7,09,340	5.88	7,09,340	5.88
3 Shreedaha Trading & Consultancy Services LLP	7,09,300	5.88	7,09,300	5.88
4 Sughosh Trading & Consultancy Services LLP	7,09,310	5.88	7,09,310	5.88
5 Trilokatma Trading & Consultancy Services LLP	10,35,210	8.58	10,35,210	8.58
6 Lapada (Mauritius) Limited	28,80,000	23.87	28,80,000	23.87

**12.4) Shareholding of Promoters**

Name of Promoter *	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1 Bhaktavatsala Trading & Consultancy Services LLP	10,35,210	8.58	10,35,210	8.58
2 Trilokatma Trading & Consultancy Services LLP	10,35,210	8.58	10,35,210	8.58
3 Lokswami Trading & Consultancy Services LLP	4,03,150	3.34	4,03,150	3.34
4 Sahishnu Trading & Consultancy Services LLP	7,09,340	5.88	7,09,340	5.88
5 Sughosh Trading & Consultancy Services LLP	7,09,310	5.88	7,09,310	5.88
6 Shreedaha Trading & Consultancy Services LLP	7,09,300	5.88	7,09,300	5.88
7 Vishvamurti Trading & Consultancy Services Pvt Ltd	8,570	0.07	8,570	0.07
8 Trilokesh Trading & Consultancy Services Pvt Ltd	45,690	0.38	45,690	0.38
9 Sumukh Trading & Consultancy Services LLP	44,970	0.37	44,970	0.37
10 Anuradha Jayesh Jhaveri	28,000	0.23	28,000	0.23
11 Anuradha Arvind Motasha	1,000	0.01	1,000	0.01
12 Arvind Vadilal Motasha	16,903	0.14	16,903	0.14
13 Bhavana Mukesh Motasha	40,822	0.34	40,822	0.34
14 Deepak Amrutlal Motasha	27,001	0.22	27,001	0.22
15 Dipti Jayesh Motasha	1,051	0.01	1,051	0.01
16 Hansa Arvind Motasha	27,600	0.23	27,600	0.23
17 Jayesh A Motasha	26,800	0.22	26,800	0.22
18 Jayshree Mahesh Shah	400	0.00	400	0.00
19 Mahesh Kantilal Shah	39,450	0.33	39,450	0.33
20 Meena Vinod Shah	74,000	0.61	74,000	0.61
21 Mukesh Amrutlal Motasha	25,701	0.21	25,701	0.21
22 Sushilaben K Shah	18,550	0.15	18,550	0.15
23 Suvrat Mahesh Shah	13,600	0.11	13,600	0.11
24 Sweta Deepak Motasha	300	0.00	300	0.00
25 Varun Jayesh Motasha	19,800	0.16	19,800	0.16
26 Vinod Kantilal Shah	41,400	0.34	41,400	0.34
27 Lapada (Mauritius) Limited	28,80,000	23.87	28,80,000	23.87

\* Details of Promoters are identified based on Information submitted with the BSE Ltd. as per SEBI ( LODR) Regulations, 2015 ( as amended ) and the Annual Return filed in accordance with the provision of Section 92 of the Act.

**13. OTHER EQUITY**

Particulars	As at		As at	
	31st March, 2023		31st March, 2022	
<b>a. CAPITAL RESERVE</b>				
Opening Balance	6.49		6.49	
Addition	-		-	
Deduction	-		-	
Closing Balance		6.49		6.49
<b>b. SECURITIES PREMIUM RESERVE</b>				
Opening Balance	7,232.25		7,232.25	
Addition	-		-	
Deduction	-		-	
Closing Balance		7,232.25		7,232.25

c. INVESTMENT ALLOWANCE RESERVE				
Opening Balance		45.34		45.34
Addition		-		-
Deduction		-		-
Closing Balance		45.34		45.34
d. SURPLUS/DEFICIT IN THE STATEMENT OF PROFIT & LOSS				
Opening Balance	(48,860.27)		(53,573.13)	
Remeasurement of defined benefits plans	(8.89)		(0.54)	
Profit for the year	19.44		4,713.41	
Closing Balance		(48,849.72)		(48,860.27)
<b>Total</b>		<b>(41,565.64)</b>		<b>(41,576.18)</b>

#### Nature and Purpose of each reserve

- a) Capital reserve - During amalgamation, the excess of net assets taken, over the consideration paid, if any, is treated as capital reserve.
- b) 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.
- c) Investment allowance reserve - Investment Allowance Reserve was created under the provisions of Income tax, when new machineries were purchased.

#### 14. BORROWING

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Current	Non Current	Current	Non Current
<u>Secured</u>				
From Bank				32.68
Loans from Financial Institution		23,260.45		23,260.45
Loan from Others	226.21	1,630.45	245.77	1,840.01
<u>Unsecured</u>				
From Companies		3,448.65		1,729.49
From Directors		1,570.11		1,026.55
From Others		2,319.81		2,323.91
<b>Total</b>	<b>226.21</b>	<b>32,229.46</b>	<b>245.77</b>	<b>30,213.08</b>

14.1 (a) As in the past, in current year also, due to non-receipt of the statements / advices / balance confirmation certificates from the financial institutions / banks, book entries pertaining to banks and financial institutions, the balances could not be reconciled. Further, in absence of such details and information, the amount payable also could not be estimated or ascertained. Thus, bank balances and balances of such financial institutions as on 31.03.2023 are subject to adjustments, if any, to be carried out on receipt of the relevant statements / advices / balance confirmation certificates from banks/ financial institutions.

(b) The original lenders of the Company namely IDBI, Bank of India, Oriental Bank of Commerce and EXIM Bank had assigned their dues to Asset Reconstruction Company of India Limited ('ARCIL') in the year 2006-07 and thereafter ARCIL assigned its rights in dues of the Company to SICOM Limited in the year 2011-12. During the financial year 2017-18, SICOM Limited assigned its rights in the dues outstanding from the Company to Finquest Financial Solutions Private Limited ('Finquest'). Similarly, during the financial year 2017-18, Saraswat Co-op Bank Ltd. assigned its rights in the dues outstanding from the Company to Finquest. Therefore, the outstanding loan balance of all these original lenders have been presented to the credit of Finquest. The Company has not provided interest on loan outstanding to the credit of Finquest. Had the Company provided interest as per practice followed in earlier years, loss would have been higher by ₹.1291.31 lacs (P.Y. ₹ 1296.87 lacs). During the year Company had done one time settlement with Baroda City Co-op Bank and outstanding due of Principal ₹ 32,68 lacs and Interest ₹ 73,05 lacs paid during the year.

(c) The Directors/Promoters of the Company along with their family members and group companies/associates have arranged loans from Deutsch Bank (DB) and Capital First Limited (Now merged with IDFC Bank Ltd) (IDFC), by giving their personal property as collateral security. These loans are released by DB and IDFC to Natroyal Industries Private Limited ('NIPL'). Pursuant to the arrangement / understanding between NIPL, Directors/Promoters, 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 31.03.2023 for DB is ₹ 916.99 lacs and IDFC is ₹ 939.68 lacs.



**15. PROVISION - NON-CURRENT**

Particulars	As at 31st March,2023		As at 31st March,2022
Provision for Employee Benefits	172.98	-	169.65
Provision for Gratuity	23.85	-	22.89
Provision for Leave Benefits	5,663.05	-	5,683.05
Provision for Customs duty including interest			
<b>Total</b>	<b>5,860.78</b>		<b>5,876.49</b>

15.1) Under the Duty Exemption Scheme of Advance License ( as well as similar other license scheme) pursuant to Import & Export Policy of Government of India, duty free imports of raw materials are permitted and they are required to be used in manufacturing of goods for export, as well as, export of goods has to be effected within the time allowed, in terms of the scheme. The Company has availed of such licenses from time to time. In the past, it had fulfilled its export obligations. The Company had imported duty free raw material under certain licenses, however it could not effect export within the time allowed due to circumstances beyond the control of the Company. The Company has evaluated its obligations under the scheme and it has been advised that in view of non fulfillment of export obligations, the authorities can recover the import duty and mandatory interest thereon. From 01.04.2014 the Company has stopped providing interest on custom duty liability. Had the company provided interest as per practice followed in earlier years loss would have been higher by ₹ 278.66 lacs and reserve and surplus would have been lower to that extent during the year.

15.2) BIFR's Order dated 11/06/2015 includes various reliefs from DFGT such as extension of Export Obligation Period, Waiver of Penalties and also refund from Customs against Advance Licenses and EPCG Licenses once the export obligation is extended and completed. The company has already got extension of export obligation for various Licenses and is in the process of getting extension of Export Obligation of Advance Licenses and EPCG Licenses. In the year 2000, 2001 and 2006, the Customs Dept. has encashed Bank Guarantees provided by Union Bank of India and Global Trust Bank. The total amount of these Guarantees is ₹ 4.35 Crores. The company is in the process of consolidating all the documents and will file the claim with Customs Dept. for refund of the Bank Guarantees amount etc. As the application is yet to be filed, this amount is not shown as "Receivable" in the Balance Sheet.

**16. TRADE PAYABLES**

Particulars	As at 31st March,2023		As at 31st March,2022
Micro & Small Enterprises ( Ref Note No.37)	183.48	-	566.70
Others	3,655.44	-	5,519.83
<b>Total</b>	<b>3,838.92</b>		<b>6,106.53</b>

**16.1) Trade Payables ageing schedule: As at 31st March,2023**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	120.16	35.43	6.03	21.86	183.48
(ii) Others	1,525.70	1,443.93	347.83	329.02	3,646.48
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	8.96	8.96
<b>Total</b>	<b>1,645.86</b>	<b>1,479.36</b>	<b>353.86</b>	<b>369.84</b>	<b>3,838.92</b>

**Trade Payables ageing schedule: As at 31st March,2022**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	401.67	11.21	1.32	172.51	566.70
(ii) Others	1,202.80	3,773.19	4.81	530.26	5,510.87
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	8.96	8.96
<b>Total</b>	<b>1,604.47</b>	<b>3,784.40</b>	<b>5.93</b>	<b>711.73</b>	<b>6,106.53</b>

**17. OTHER CURRENT LIABILITIES**

Particulars	As at 31st March,2023		As at 31st March,2022
(a) Advance from Customers	532.19	-	1,141.88
(b) Statutory Liabilities	48.29	-	57.48
(c) Other Liabilities (Advance received for sale of land)	269.47	-	110.00
<b>Total</b>	<b>849.95</b>		<b>1,309.16</b>

**18. PROVISIONS - CURRENT**

Particulars	As at 31st March,2023		As at 31st March,2022
( a ) Provision for Gratuity	16.92		11.66
( b ) Provision for Leave Benefits	8.34		4.79
<b>Total</b>	<b>25.26</b>		<b>16.45</b>

ROYAL CUSHION VINYL PRODUCTS LIMITED

Notes on Financial Statements for the year ended 31st March, 2023

(Amount in lacs )

Particulars	for the year ended 31st March, 2023	for the year ended 31st March, 2022
<b>19. REVENUE FROM OPERATION</b>		
Sales of Products and Services	5,158.95	6,807.55
	<b>5,158.95</b>	<b>6,807.55</b>
Other Operating Revenue		
Sale of Scrap	50.30	89.32
	<b>50.30</b>	<b>89.32</b>
<b>Total</b>	<b>5,209.25</b>	<b>6,896.87</b>

Particulars	for the year ended 31st March, 2023	for the year ended 31st March, 2022
<b>DETAILS OF TURNOVER :</b>		
PVC Floor Covering	4,494.28	6,263.16
PVC Leather cloth	664.66	544.39
<b>Total</b>	<b>5,158.95</b>	<b>6,807.55</b>

**20. OTHER INCOMES**

Interest	1.23	5.18
Income Tax Refund	0.58	-
Lease Rent	3.79	13.23
Profit on sale of Fixed assets (Net of brokerage)	1,858.41	26.83
Share of profit from Partnership firm	1.88	-
<b>Total</b>	<b>1,865.89</b>	<b>45.24</b>

**21. COST OF MATERIAL CONSUMED**

Opening Stock	128.34	259.29
Purchases	4,355.81	6,085.04
	4,484.15	6,344.33
Less: Closing Stock	119.53	128.34
<b>Total</b>	<b>4,364.63</b>	<b>6,215.99</b>

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

RAW MATERIAL CONSUMED	2022-23		2021-22	
	Amount	%	Amount	%
Imported	447.39	10.25	497.61	8.01
Indigenous	3,917.24	89.75	5,718.38	91.99
<b>Total</b>	<b>4,364.63</b>	<b>100.00</b>	<b>6,215.99</b>	<b>100.00</b>

RAW MATERIAL CONSUMED	Amount	%	Amount	%
PVC Resin	1,818.71	41.67	3,208.45	51.62
Plasticizers	714.70	16.37	1,366.62	21.99
Others	1,831.21	41.96	1,640.93	26.40
<b>Total</b>	<b>4,364.63</b>	<b>100.00</b>	<b>6,215.99</b>	<b>100.00</b>

**22. CHANGES IN INVENTORIES OF FINISHED GOODS**

Work-In-Progress		
Opening Stock		
Finished Goods	222.66	380.60
Work-in-process	455.85	403.80
	<b>678.51</b>	<b>784.41</b>
Less: Closing Stock		
Finished Goods	187.81	222.66
Work-in-process	154.99	455.85
	<b>342.81</b>	<b>678.51</b>
<b>Total</b>	<b>335.71</b>	<b>105.90</b>

**22.1) DETAILS OF INVENTORY OF FINISHED GOODS**

	Amount	Amount
PVC Floor Covering	187.81	222.66
<b>Total</b>	<b>187.81</b>	<b>222.66</b>



ROYAL CUSHION VINYL PRODUCTS LIMITED

Notes on Financial Statements for the year ended 31st March, 2023

(Amount in lacs )

Particulars	for the year ended 31st March, 2023	for the year ended 31st March, 2022
<b>23. EMPLOYEES BENEFITS EXPENSE</b>		
Salaries	482.37	483.61
Contribution to Provident Fund and Other Funds	31.19	32.24
Gratuity	21.12	19.67
Staff Welfare	9.42	11.40
<b>Total</b>	<b>544.10</b>	<b>546.92</b>
<b>24. FINANCE COSTS</b>		
Interest on long term borrowings	364.84	300.50
Interest on Lease Liabilities	6.02	8.94
Bank Charges	4.07	2.17
<b>Total</b>	<b>374.92</b>	<b>311.60</b>
<b>25. OTHER EXPENSES</b>		
Consumption of stores and spares	46.12	81.01
Consumption of packing material	166.09	189.41
Power and fuel	695.62	621.28
Lease Rent	67.59	4.67
Rates and taxes	2.95	1.12
Insurance	10.07	10.68
Electricity Charges	8.14	7.82
<b>Repairs and maintenance</b>	<b>-</b>	<b>-</b>
- Plant and machinery	44.31	29.92
- Buildings	2.59	0.11
- Others	0.52	0.62
Design & Development	5.55	7.88
Machine Operating Charges	15.55	44.36
Services and maintenance	61.17	35.13
Advertising and sales promotion	0.77	1.34
Travelling and conveyance	5.54	1.80
Telephone Expense	2.10	2.40
Vehicle Expense	35.41	30.22
Legal and professional fees	83.10	52.90
<b>Payment to auditor</b>	<b>-</b>	<b>-</b>
- Audit fees	2.27	2.27
- Tax Audit fees	0.30	0.30
- Taxation Matter	-	-
- Certification Work	0.45	0.45
Freight and forwarding charges Outward	0.25	2.13
Miscellaneous expenses	51.35	70.77
<b>Total</b>	<b>1,307.79</b>	<b>1,198.59</b>

Note 26 - Categories of Financial Instruments and Fair Value Hierarchy

(Amount in lacs )

	Amount	As at 31-03-2023		
		Level 1	Level 2	Level 3
<b>Financial Assets</b>				
<b>Classified as Fair value through Profit &amp; Loss</b>				
Investments :-				
In Equity Instruments (Unquoted)	0.96	-	-	0.96
<b>Classified as Amortised Cost</b>				
Investment in Partnership firms	-7.41	-	-	-
Govt. Securities	0.02	-	-	-
Trade Receivables	153.58	-	-	-
Loans	4.37	-	-	-
Cash and cash equivalents	33.72	-	-	-
Bank Balances other than Cash and Cash Equivalents	15.57	-	-	-
Security Deposit	95.28	-	-	-
<b>Total Financial Assets</b>	<b>296.09</b>	<b>-</b>	<b>-</b>	<b>0.96</b>
<b>Financial Liabilities</b>				
<b>Classified as Amortised Cost</b>				
Borrowings	32,455.68	-	-	-
Lease Liabilities	177.27	-	-	-
Trade payables	3,838.92	-	-	-
<b>Total Financial liabilities</b>	<b>36,471.86</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Amount	As at 31-03-2022		
		Level 1	Level 2	Level 3
<b>Financial Assets</b>				
<b>Classified as Fair value through Profit &amp; Loss</b>				
Investments :-				
In Equity Instruments (Unquoted)	0.96	-	-	0.96
<b>Classified as Amortised Cost</b>				
Investment in Partnership firms	16.75	-	-	-
Govt. Securities	0.02	-	-	-
Trade Receivables	344.72	-	-	-
Loans	9.81	-	-	-
Cash and cash equivalents	80.98	-	-	-
Bank Balances other than Cash and Cash Equivalents	20.40	-	-	-
Security Deposit	95.49	-	-	-
<b>Total Financial Assets</b>	<b>569.13</b>	<b>-</b>	<b>-</b>	<b>0.96</b>
<b>Financial Liabilities</b>				
<b>Classified as Amortised Cost</b>				
Borrowings	30,458.85	-	-	-
Lease Liabilities	75.25	-	-	-
Trade payables	6,106.53	-	-	-
<b>Total Financial liabilities</b>	<b>36,640.63</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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

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

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

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

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



## Note 27 - Financial Risk Management

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyse 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 fails to meet its contractual obligations.

#### a) Cash and Cash Equivalents

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

#### Liquidity risk

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

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

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

(Amount in lacs )  
For the year ended 31.03.2023

Particulars	Less than 1 Year	1-5 Years	above 5 Years	Total
Borrowings	226.21	1,183.96	31,045.51	32,455.68
Trade payables	3,838.92	-	-	3,838.92
Lease Liabilities	34.40	142.87	-	177.27
Other financial liabilities	849.95	-	-	849.95
<b>Total</b>	<b>4,949.47</b>	<b>1,326.83</b>	<b>31,045.51</b>	<b>37,321.81</b>

For the year ended 31.03.2022

Particulars	Less than 1 Year	1-5 Years	above 5 Years	Total
Borrowings	245.77	1,422.65	28,790.44	30,458.85
Trade payables	6,106.53	-	-	6,106.53
Lease Liabilities	49.66	25.59	-	75.25
Other financial liabilities	1,309.16	-	-	1,309.16
<b>Total</b>	<b>7,711.11</b>	<b>1,448.24</b>	<b>28,790.44</b>	<b>37,949.79</b>

#### Market risk

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

#### Interest rate risk

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

Note 28 - Employee Benefit Plans

Annexure 'A' GRATUITY

(Amount in lacs )

Define Benefit Plans as per actuarial valuation under Ind AS 19 period of accounting		
Valuation Result as at	31-Mar-23	31-Mar-22
<b>I</b>	<b><u>Changes in present value of obligations</u></b>	
PVO at beginning of period	181.31	166.91
Interest cost	11.69	10.36
Current Service Cost	9.43	9.31
Past Service Cost- (non vested benefits)	-	-
Past Service Cost -(vested benefits)	-	-
Benefits Paid	(21.43)	(5.81)
Contributions by plan participants	-	-
Business Combinations	-	-
Curtailments	-	-
Settlements	-	-
Actuarial (Gain)/Loss on obligation	8.89	0.54
PVO at end of period	189.89	181.31
<b>II</b>	<b><u>Interest Expenses</u></b>	
Interest cost	11.69	10.36
<b>III</b>	<b><u>Fair Value of Plan Assets</u></b>	
Fair Value of Plan Assets at the beginning	-	-
Interest Income	-	-
<b>IV</b>	<b><u>Net Liability</u></b>	
PVO at beginning of period	181.31	166.91
Fair Value of the Assets at beginning report	-	-
Net Liability	181.31	166.91
<b>V</b>	<b><u>Net Interest</u></b>	
Interest Expenses	11.69	10.36
Interest Income	-	-
Net Interest	11.69	10.36
<b>VI</b>	<b><u>Actual return on plan assets</u></b>	
Less Interest Income included above	-	-
Return on plan assets excluding interest income	-	-
<b>VII</b>	<b><u>Actuarial (Gain)/loss on obligation</u></b>	
Due to Demographic Assumption*	-	-
Due to Financial Assumption	(4.86)	(6.17)
Due to Experience	13.75	6.71
Total Actuarial (Gain)/Loss	8.89	0.54

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

Annexure 'A' GRATUITY

Accounting Disclosures Statement		
Period of accounting	31-Mar-23	31-Mar-22
<b>VIII</b>	<b><u>Fair Value of Plan Assets</u></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	21.43	5.81
Contributions by Employee	-	-
Benefits Paid	(21.43)	(5.81)
Fair Value of Plan Assets at end	-	-
<b>IX</b>	<b><u>Past Service Cost Recognised</u></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><u>Amounts to be recognized in the balance sheet and statement</u></b>	
PVO at end of period	189.89	181.31
Fair Value of Plan Assets at end of period	-	-
Funded Status	(189.89)	(181.31)
Net Asset/(Liability) recognized in the balance sheet	(189.89)	(181.31)
<b>XI</b>	<b><u>Expense recognized in the statement of P &amp; L A/C</u></b>	
Current Service Cost	9.43	9.31
Net Interest	11.69	10.36
Past Service Cost- (non vested benefits)	-	-
Past Service Cost -(vested benefits)	-	-
Curtailment Effect	-	-
Settlement Effect	-	-
Unrecognised Past Service Cost- non vested benefits	-	-
Actuarial (Gain)/Loss recognized for the period	-	-
Expense recognized in the statement of P & L A/C	21.12	19.67



		Annexure 'A'	
Period of accounting		31-Mar-23	31-Mar-22
XII	<b>Other Comprehensive Income (OCI)</b>		
	Actuarial (Gain)/Loss recognized for the period	8.89	0.54
	Asset limit effect	-	-
	Return on Plan Assets excluding net interest	-	-
	Unrecognized Actuarial (Gain)/Loss from previous period	-	-
	Total Actuarial (Gain)/Loss recognized in (OCI)	8.89	0.54
XIII	<b>Movements in the Liability recognized in Balance Sheet</b>		
	Opening Net Liability	181.31	166.91
	Adjustment to opening balance	-	-
	Expenses as above	21.12	16.87
	Contribution paid	(21.43)	(5.81)
	Other Comprehensive Income(OCI)	8.89	0.54
	Closing Net Liability	168.89	181.31
XIV	<b>Schedule III of The Companies Act 2013</b>		
	Current Liability	18.92	11.66
	Non-Current Liability	172.98	169.65
XV	<b>Projected Service Cost 31 Mar 2024</b>	8.84	-
XVI	<b>Asset Information</b>		Target Allocation
	Not Applicable as the plan is unfunded.		
XVII	<b>Assumptions as at</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
	Mortality	IALM (2012-14) UIL	IALM (2012-14) UIL
	Interest / Discount Rate	7.20%	6.85%
	Rate of increase in compensation	8.00%	8.00%
	Annual increases in healthcare costs		
	Future Changes in maximum state healthcare benefits		
	Expected average remaining service	8.10	8.75
	Retirement Age	58 Years	58 Years
	Employee Attrition Rate	Age: 0 to 40 : 3% Age: 41 to 50 : 2% Age: 51 to 58 : 1%	Age: 0 to 40 : 3% Age: 41 to 50 : 2% Age: 51 to 58 : 1%

XVIII **Sensitivity Analysis**

	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	176.70	201.30	199.40	180.78

XIX **Expected Payout**

	31-Mar-23	31-Mar-22
1st following year	18.92	11.66
2nd following year	33.65	14.53
3rd following year	10.94	23.41
4th following year	20.01	14.96
5th following year	27.51	13.68
Sum of 6 to 10 years	99.80	108.91

XX **Asset Liability Comparisons**

Year	31-03-2019	31-03-2020	31-03-2021	31-03-2022	31-03-2023
PVO at end of period	187.05	164.70	166.91	181.31	189.89
Plan Assets	-	-	-	-	-
Surplus/(Deficit)	(187.05)	(164.70)	(166.91)	(181.31)	(189.89)
Experience adjustments on plan assets	-	-	-	-	-

Weighted average remaining duration of Defined Benefit Obligation 6.07

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
- > 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	31.03.2023	31.03.2022
Gross Debt	32,455.68	30,458.85
Less: -	-	-
Cash and Cash Equivalent	33.72	80.98
Other Bank Balance	15.57	20.40
Net debt (A)	32,406.39	30,357.47
Total Equity (B)	(40,358.92)	(40,369.48)
Net debt to equity ratio	(0.80)	(0.75)

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

a) Euroroyal Floor Ltd.

(B) ASSOCIATES CONCERN AND RELATIVES

a) Natroyal Industries Private Limited  
 b) Sugghosh Trading & Consultancy Services LLP  
 c) Trilokama Trading & Consultancy Services LLP  
 d) Shreedaha Trading & Consultancy Services LLP  
 e) Shreeshaha Trading & Consultancy Services LLP  
 f) Bhaktavatsala Trading & Consultancy Services LLP  
 g) Trilokesh Trading & Consultancy Services LLP  
 h) Lokwami Trading & Consultancy Services LLP  
 i) Sahishnu Trading & Consultancy Services LLP  
 j) Royal Spinwell & Developers Pvt Ltd  
 k) Vinod K Shah  
 l) Mukesh Molasha

(C) KEY MANAGERIAL PERSONNEL

a) Mahesh K Shah (Chairman & Managing Director)  
 b) Jayesh Molasha (Non Executive Director)  
 c) Deepthi Parekh (Company Secretary)  
 d) Vivek D Molasha ( CFO)

(D) BOARD OF DIRECTORS

a) Mahesh K Shah (Chairman & Managing Director)  
 b) Jayesh Molasha (Non Executive Director)  
 c) Harsha Shah  
 d) Avant Pandit

2 RELATED PARTY TRANSACTIONS

(Amount in lacs)

Nature of Transaction	2022-23			2021-22		
	Subsidiary	Associates	Key Management	Subsidiary	Associates	Key Management
<b>Purchases of goods &amp; Services</b>						
Natroyal Industries Private Limited		203.36			2,953.38	
<b>Sales of goods, Services etc.</b>						
Natroyal Industries Private Limited		102.28			4,490.03	
<b>Repayment of Loan</b>						
Natroyal Industries Private Limited(ref,Note no.14.1( C )		229.11			227.78	
Mukesh Molasha			4.10			
Jayesh A Molasha						10.73
<b>Remuneration</b>						
Mahesh K Shah			9.29			9.29
Nivedita Arun Juvatkar			-			0.62
Deepthi Parekh			6.55			5.14
Vivek D Molasha			11.04			5.05
<b>Loan Received</b>						
Mahesh K Shah			106.75			451.65
Jayesh A Molasha			436.81			
Royal Spinwell & Developers Pvt Ltd		2,572.71				
<b>Loan Payable</b>						
Natroyal Industries Private Limited		1,856.66			2,086.77	
Shreedaha Trading & Consultancy LLP		4.00			4.00	
Trilokesh Trading & Consultancy LLP		287.13			287.13	
Shreeshaha Trading & Consultancy LLP		536.14			536.14	
Vishwamurthy Trading & Consultancy LLP		36.76			36.76	
Lokswami Trading & Consultancy LLP		96.77			96.77	
Bhaktavatsala Trading & Consultancy LLP		192.06			192.06	
Sahishnu Trading & Consultancy LLP		15.15			15.15	
Sugghosh Trading & Consultancy LLP		13.70			13.70	
Trilokamata Trading & Consultancy LLP		274.58			274.58	
Sumukh Trading & Consultancy LLP		243.18			243.18	
Royal Spinwell & Developers Pvt Ltd		2,572.71				
Jayesh A Molasha			498.72			31.91
Mahesh K Shah			1,101.39			954.64
Vinod K Shah			427.61			427.61
Mukesh Molasha			2.70			6.80
<b>Trade Payable</b>						
Natroyal Industries Private Limited(ref,Note no. 40 )		1,200.98			3,511.08	
<b>Trade Receivable *</b>						
Euroroyal Floor Limited	2,333.76			2,333.76		

\* In respect of above parties, there is no provision for doubtful debts as on 31st Mar.'2023, except ₹ 2333.76 lacs provided in respect of due by the Subsidiary Company in earlier year. The High Court of Justice of U.K. made a winding -up order dated 11th June, 2001 against Euroroyal Flor Ltd and the official receiver has been appointed to liquidate the assets of ERF. Thereafter order dated 12/03/2002 was passed and Euroroyal Floor Ltd is dissolved. Further full provision has been made towards receivable of ₹ 2333.76 lacs from Euroroyal Floor Ltd in earlier years.



**Note 32 - Contingent Liabilities**

(Amount in lacs)

Particulars	As at	As at
	31.03.2023	31.03.2022
Claims against the Company not acknowledged as debts	4,586.64	4,586.64
Liabilities disputed -appeals filed with respect to CEGATE, Mumbai:	-	21.05
Excise duty on account of valuation / central credit / service tax	1.23	12.97
Custom duty Liabilities disputed -CESTA appeals filed with respect to Tribunal Mumbai/Madadara	9.30	9.30
Income tax on account of disallowances / additions	48.62	48.62
Penalty Imposed by FERA & disputed by Company	100.00	100.00

**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	2022-23	2021-22
a. Net Profit/(loss) after Tax available for equity shareholders (₹)	19.44	4,713.41
b. Number of Equity Shares of ₹ 10/-each outstanding during the year (Nos. of Sh)	1,20,67,212	1,20,67,212
c. Basic/ Diluted Earnings Per Share (a/b) (₹)	0.16	39.06

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

Investment Property:	31.03.2023	31.03.2022
i Amounts recognised in profit or loss for investment properties Rental income	3.79	13.23
Direct operating expenses from property that generated rental income		
Depreciation	(1.86)	(1.86)
<b>Profit from Investment Property</b>	<b>1.93</b>	<b>11.37</b>
ii Fair value	395.72	395.72
Estimation of fair value; Method of Estimation		
We have used the prevailing market rate for the purposes of arriving at the fair		

**Note 35** The Company is a partner in M/s.Creative Investment, the details of the partners, their share in profit / loss and total capital of the partners of the firm as on 31.03.2023 are as under.

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

b) The total Capital of the Partners is ₹ 23.40 lacs (net)

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

**Note 36 Leases**

a) The following is the movement in lease liabilities

(Amount in lacs)

<b>Lease commitments as at 31 March 2020</b>	<b>136.02</b>
Addition during the period	-
Finance cost accrued during the period	12.51
Adjustments on account of modification (extension/termination/rental changes)	6.24
Payment of lease liabilities	(49.40)
<b>Lease commitments as at 31 March 2021</b>	<b>105.38</b>
Addition during the period	-
Finance cost accrued during the period	8.83
Adjustments on account of modification (extension/termination/rental changes)	-
Payment of lease liabilities	(46.74)
<b>Lease commitments as at 31 March 2022</b>	<b>67.47</b>
Addition during the period	139.27
Finance cost accrued during the period	6.02
Adjustments on account of modification (extension/termination/rental changes)	12.78
Payment of lease liabilities	(48.24)
<b>Lease commitments as at 31 March 2023</b>	<b>177.27</b>

b) **Maturity Analysis of Lease Liabilities**

	31st March, 2023	31st March, 2022	31st March, 2021
<b>Maturity Analysis - Contractual undiscounted Cash Flows</b>			
Less than one year	110.25	46.74	46.74
One to five years	106.50	27.00	73.74
More than five years	-	-	-
<b>Total Undiscounted Lease Liabilities</b>	<b>216.75</b>	<b>73.74</b>	<b>120.48</b>
Discounting element	(39.48)	(6.27)	(15.10)
<b>Total discounted liabilities</b>	<b>177.27</b>	<b>67.47</b>	<b>105.38</b>
<b>Lease Liabilities Included in the Statement of Financial Position</b>			
	<b>31st March, 2023</b>	<b>31st March, 2022</b>	<b>31st March, 2021</b>
Non Current	142.87	25.59	67.47
Current	34.40	41.88	37.91
<b>Total</b>	<b>177.27</b>	<b>67.47</b>	<b>105.38</b>

c) Amount Recognized in the Statement of Profit & Loss

	31st March, 2023	31st March, 2022	31st March, 2021
Interest on Lease Liabilities	6.02	8.83	12.51
Expenses relating to short-term leases of low-value assets, excluding short-term leases of low-value assets	67.59	4.67	2.13
Depreciation on Lease Asset	-	-	-
	38.72	37.56	39.13

d) Consequently, for all leases (other than short-term leases and leases of low-value assets), a right-of-use asset was

Note 37

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

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

Particulars	2022-23	2021-22
i) Principal amount remaining unpaid at the end of the year	183.48	585.70
ii) Interest accrued at the end of the year	-	-
iii) Interest remaining unpaid, out of above, as at the end of the year	-	-
iv) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Act.	-	-

Note: This information has been determined to the extent such parties have been identified on this basis of information

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. The Promoters are bringing funds required for working capital in order to have smooth operations.

Note 39

The Board of the Directors of the Company in its Board Meeting held on 04th January, 2022, has considered and approved draft Scheme of Arrangement ("Scheme") in the nature of merger / amalgamation of, Royal Spinwell and Developers Private Limited, a group company with the Company (Royal Cushion Vinyl Products Limited), with effect from the Appointed Date of October 1, 2021 under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Company received the NOC letter from BSE Ltd as required under Regulation 37 of SEBI, LODR and company is in the process of filing the application in NCLT. The coming into effect of the Scheme is subject to receipt of necessary statutory, regulatory and contractual approvals, permissions, consents, sanctions, exemption as may be required under applicable laws, regulations or guidelines in relation to the Scheme. Pending the coming into effect of the Scheme, these financial statements are prepared without giving effect to the provisions of the Scheme and as such, these financial statements are subject to revision / modification upon coming into effect of the Scheme.

Note 40

Exceptional items in the Statement of Profit and Loss account for FY 21-22 represent written back of outstanding due of Rs. 6261.23 lacs payable to Natroyal Industries Private Limited (NIPL). NIPL, one of the group companies being a related party, had supported the Company through various means in its efforts to revive the Company from the sick company status during the time Company's reference for revival was pending before the erstwhile Board for Industrial and Financial Reconstruction (BIFR). As such, there was an aggregate amount of (INR 6261.23 lacs) payable to NIPL consisting of INR 3390.23 lacs as advance/deposit received under a manufacturing support and supply agreement and INR 2870.94 lacs as trade payables towards purchases of goods, pertaining to the period prior to the filing of fully tied-up draft rehabilitation scheme (DRS) with BIFR in the year 2013 ('DRS Cut-off Date'). Since then, the said amount payable to NIPL has remained outstanding, and the Company has been endeavouring to keep the ledger account of NIPL regular in respect of transactions undertaken post the DRS Cut-off Date, though as on date, there has been a substantial outstanding amount for the same as well. NIPL has already written off the said amount of INR 6261.23 lacs recoverable from the Company in its books of account and currently, NIPL has not been pursuing any active recovery efforts or measures knowing the state of affairs of the Company. At the same time, the Company has been contemplating and initiating various efforts including monetisation of surplus assets, to strengthen its financial position and operations, however various adverse circumstances including the onset of Covid-19 pandemic and prevalent weak domestic and global environment due to multitude of factors, are causing several limitations to the effective revival measures. Therefore, the management doesn't foresee that the Company will be in position to pay this outstanding amount of INR 62.61 Crores payable to NIPL pertaining to the period prior to the DRS Cut-off Date and has accordingly, decided to write-back the said payable amount.

Note 41

Key Financial Ratios	Numerator	Denominator	March 31, 2023	March 31, 2022	variation for >25%	Reason for variation for >25%
Current ratio	Current Assets	Current Liabilities	0.39	0.34	14.80%	
Debt equity ratio	Total Debt	Shareholder's equity	-1.07	-1.09	-1.38%	
Debt Service Coverage ratio	Earning available for debt service	Debt service	-2.00	-2.13	-5.91%	
Return on Equity Ratio	Net Profit after Taxes but before exceptional items	Average Shareholder's equity	-0.05	-0.04	23.62%	
Inventory turnover ratio	Revenue from operations	Average Inventory	6.49	6.29	3.23%	
Trade receivable turnover ratio	Revenue from operations	Average Trade receivables	20.71	22.05	-6.09%	
Trade payable ratio	Net Purchases	Average Trade Payable	0.92	0.88	4.62%	
Net Capital Turnover ratio	Revenue from operations	Working Capital	-1.60	-1.22	23.14%	
Net profit ratio	Net Profit after Taxes but before exceptional items	Revenue from operations	0.37%	-22.63%	-101.63%	Due to profit on sale of Fixed assets
Return on Capital employed	Earning before interest and taxes and exceptional items	Capital employed	13.75%	-36.37%	-137.60%	Due to profit on sale of Fixed assets
Return on Investment	Interest Income	Term deposit and investment	1.18%	3.87%	-69.62%	Reduction in Interest Income

Note 42

Income Tax Expenses

Due to substantial brought forward losses, there would not be taxable income in the near future. The deferred tax assets is recognised only to the extent of deferred

Note 43

Sundry Debtors & Creditors (including foreign suppliers) are subject to confirmation.

Note 44

The Directors / employees of the Company have acquired motor cars in their names from and out of the loans obtained by them from the banks, pursuant to an arrangement between the Directors / employees for use of the Company. Accordingly, the Company has accounted the said cars & the said loans in the name of the Directors / employees, as the assets & the liabilities of the Company, including the transactions in respect of repayment and payment of interest and principal etc.

Note 45 - CIF Value of Import

	2022-23 Amount in lacs	2021-22 Amount in lacs
Raw Materials	448.42	496.87
Stores & Spares	-	20.95
	448.42	517.81

Note 46 - Expenditure in foreign currency (on accrual basis)

	2022-23 Amount in lacs	2021-22 Amount in lacs
Stores & Spares	-	18.56



**Note 47 - Other regulatory information**

- a The Company do not have any Benami property and no proceedings have been initiated or pending against the Company and its Indian subsidiaries for holding any Benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- b The Company do not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- c The Company does not have any charge which is yet to be registered / satisfied with ROC beyond the statutory period.
- d The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- e The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- f The Company has not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- g The Company has not traded or invested in Crypto currency or Virtual Currency during the current or previous year.
- h The Company has not been declared as a 'Willful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- i The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

**Note 48**

The figures of previous year have been regrouped / reclassified / recast wherever necessary to compare with the current year's figures. Figures in brackets in the schedules and Notes pertain to previous year.

As per our report of even date

For and on behalf of Board of Directors

For BIPIN & CO.  
Chartered Accountants  
Firm Reg. No. 101509W

  
**AMIT SHAH**  
(Partner)  
Membership No. 126337


Place : VADODARA  
Date : 29/05/2023



  
**MAHESH K. SHAH**  
Chairman & Managing Director  
00054351

  
**DEEPTI PAREKH**  
Company Secretary  
ACS60978

Place : MUMBAI.  
Date : 29/05/2023

  
**JAYESH A. MOTASHA**  
Director  
00054236

  
**VIVEK MOTASHA**  
Chief Financial officer

# ROYAL CUSHION VINYL PRODUCTS LIMITED

REGISTERED OFFICE: - 60-CD, SHLOK, GOVT. INDUSTRIAL ESTATE, CHARKOP,  
KANDIVALI WEST, MUMBAI - 400067

BALANCE SHEET FOR THE FINANCIAL YEAR 2021-2022





**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF ROYAL CUSHION VINYL PRODUCTS LIMITED**

**Report on the Audit of the Standalone Financial Statements**

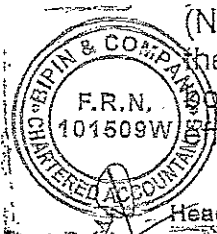
**Opinion**

1. We have audited the standalone financial statements of **ROYAL CUSHION VINYL PRODUCTS LIMITED** ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2022, and the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS") specified u/s 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2022, and its profit (financial performance including other comprehensive income, changes in equity), its cash flows and the changes in equity for the year ended on that date.
3. **Basis of Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act 2013 (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Emphasis of Matter**

4. We draw attention to Note No. 4 of the accompanying standalone result regarding treatment of Rs.6261.23 Lacs for Exceptional item, this represent the written back of outstanding due of Rs.6261.23 Lacs to Natroyal Industries Private Limited (NIPL), one of the group Company (Related Concern). NIPL has already written off the said amount of INR Rs.6261.23 Lacs recoverable from the Company in its books of account and currently, NIPL has not been pursuing any active recovery efforts or measures knowing the state of affairs of the Company.



## Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

## Information Other than the Financial Statements and Auditor's Report Thereon

6. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including annexure to Board's Report, but does not include the Financial Statements and our auditor's report thereon.

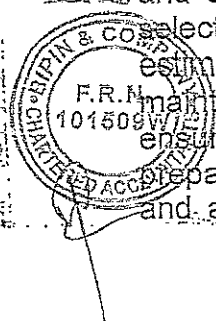
Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

7. The Company's Board of Directors is responsible for the matter stated in Section 134(5) of the Companies Act, 2013 with respect to preparation and presentation of these Financial Statements in terms of the requirements of the Act that give a true and fair view of the financial position, financial performance including other comprehensive income; cash flows and statement of changes in equity of the Group including its associates in accordance with the 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. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have





been used for the purpose of preparation of the Financial Statements by the Directors of the Company, as aforesaid.

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

Those respective Board of Directors of the are also responsible for overseeing the financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements** Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance

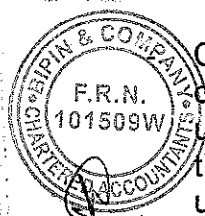
### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the



related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit finding, including any significant deficiencies in internal control that we identify during our audit.

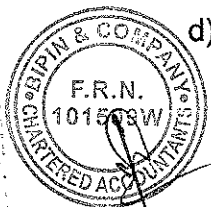
We also provide those charged with governance with a statement that we have complied with relevant ethical requirement regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

9. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

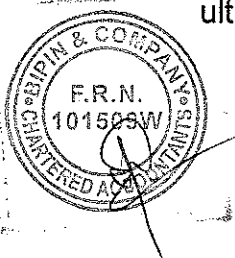
(A) As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, the Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.



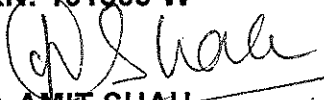


- e) On the basis of written representations received from the directors as on 31 March, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy 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".
- g) With respect to other matter to be included in the Auditor's Report in accordance with the requirement of section 197(16) of the Act, as amended in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in the standalone financial statements; Refer Note 32 to financial statements;
  - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31<sup>st</sup> 2022;
  - iv.
    - i. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed fund or share premium or any other sources of kind of funds) by the Company to or in any other person(s) or entity (ies), including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly land or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company("ultimate beneficiaries"), or provide any guarantee, security or the like on behalf of ultimate beneficiaries;
    - ii. The management has represented that, to the best of its knowledge and belief, that no funds have been received by the Company from any person(s) or entity (ies), including foreign entities ("funding parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly land or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("ultimate beneficiaries"), or provide any guarantee, security or the like on behalf of ultimate beneficiaries; and



- iii. Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub-clause (i) and (ii) of the Rule 11(e) contained any material mis-statement.
- v. There is no dividend declared or paid during the year by the Company and hence provision of section 123 of the Companies Act, 2013 are not applicable.

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



CA AMIT SHAH  
PARTNER  
M. No: 126337  
PLACE: VADODARA  
DATE: 30/05/2022  
UIDN: 22126337AJXWQD7453





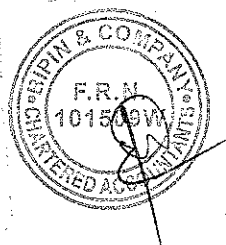
## ANNEXURE "A" TO THE AUDITORS' REPORT

Annexure "A" to the our Independent Auditor's Report to the members of Royal Cushion Vinyl Products Limited, on the standalone financial statements for the year ended March 31st 2022.

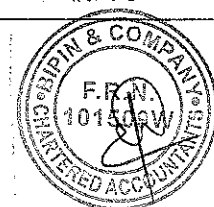
To the best of our information and according to the explanations provided to us be the company and the books of account and records examined by us in the normal course of audit, we state that:

### Annexure A

1(a)(A)	The Company has maintained proper records showing full particulars including quantitative details and situation of the property, plant and equipments;
1(a)(B)	The Company has maintained proper records showing full particulars of Intangible Assets;
1(b)	The company has a phased programme of physical verification of its Property, plant and equipments so as to cover all assets once in three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets. In accordance with this program, certain Property, plant and equipments were verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification;
1(c)	Based on our verification of the documents provided to us and according to the information and explanations given by the Management, the title deeds of all the immovable properties as disclosed in the financial statements, are held in the name of the Company as at the Balance Sheet date;
1(d)	According to information and explanations given to us, the company has not revalued its Property, Plant and Equipment and intangible assets during the year;
1(e)	As disclosed in note no. 48 to the accounts and as verified by us, no proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made there under;
2(a)	As per the information and explanations given to us, the inventories held by the company have been physically verified by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable and no discrepancies of 10% or more in aggregate for each class of inventory were noticed on physical verification;
2(b)	Based on our verification of the documents provided to us and according to the information and explanations given by the Management, the working capital limits sanctioned to the Company from banks or financial institutions does not exceed Rs. 5 crore and hence the requirements of paragraph 3(ii)(b) of the Companies (Auditor's Report) Order, 2020 ("the Order") are not applicable to the Company.

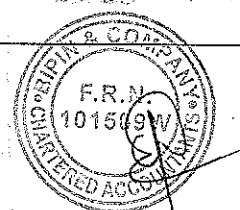


3	<p>The Company has made investments in mutual funds and granted unsecured loans to other parties, during the year, in respect of which</p> <p>(a) The Company has provided unsecured loan to its employees during the year and details of which are as follow;</p> <table border="1" data-bbox="363 387 1417 539"> <thead> <tr> <th data-bbox="363 387 576 488">Unsecured loans</th> <th data-bbox="576 387 938 488">Aggregate amount granted/Provided during the year</th> <th data-bbox="938 387 1417 488">Balance outstanding as at balance sheet date in respect of loans:</th> </tr> </thead> <tbody> <tr> <td data-bbox="363 488 576 539">- Employees</td> <td data-bbox="576 488 938 539">Rs. 25.49 lakhs</td> <td data-bbox="938 488 1417 539">Rs. 9.81 lakhs</td> </tr> </tbody> </table> <p>(b) In our opinion, the terms and conditions of the grant of loans are prima facie, not prejudicial to the Company's interest;</p> <p>(c) The repayment of principal and payment of interest is been stipulated and the same are regular;</p> <p>(d) In respect of the aforesaid loan, there is no amount which is overdue for more than ninety days;</p> <p>(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties;</p> <p>(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable;</p> <p>Other than that mentioned above, the company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnership or any other parties;</p>	Unsecured loans	Aggregate amount granted/Provided during the year	Balance outstanding as at balance sheet date in respect of loans:	- Employees	Rs. 25.49 lakhs	Rs. 9.81 lakhs
Unsecured loans	Aggregate amount granted/Provided during the year	Balance outstanding as at balance sheet date in respect of loans:					
- Employees	Rs. 25.49 lakhs	Rs. 9.81 lakhs					
4	<p>Based on our verification of the documents provided to us and according to the information and explanations given by the Management, in respect of loans, investments, guarantees, and security, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013;</p>						
5	<p>The company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and other relevant provisions of the Act and rules made there under;</p>						
6	<p>We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.</p>						

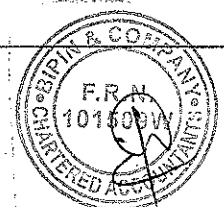




7(a)	<p>In our opinion, the company is generally regular in depositing undisputed statutory dues including Goods and Service tax , provident fund, employee state insurance, income-tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues as applicable to the appropriate authorities. There were no undisputed amounts payable with respect to above statutory dues in arrears as at March 31, 2022 for a period of six months from the date they became payable, except below;</p> <table border="1" data-bbox="300 421 1385 533"> <thead> <tr> <th>NAME OF THE STATUTE</th> <th>NATURE OF THE DUE</th> <th>AMOUNT( In lacs)</th> </tr> </thead> <tbody> <tr> <td>Custom Act</td> <td>Custom Duty</td> <td>5683.95</td> </tr> </tbody> </table>	NAME OF THE STATUTE	NATURE OF THE DUE	AMOUNT( In lacs)	Custom Act	Custom Duty	5683.95																								
NAME OF THE STATUTE	NATURE OF THE DUE	AMOUNT( In lacs)																													
Custom Act	Custom Duty	5683.95																													
7(b)	<p>According to the records of the company examined by us and information and explanations given by the management, there are statutory dues that has not been deposited on account of disputes;</p> <table border="1" data-bbox="300 705 1428 1182"> <thead> <tr> <th>Sr. No.</th> <th>Nature of the Status</th> <th>Nature of the due</th> <th>Amount In lacs</th> <th>Period to which the amount relate</th> <th>Forum where dispute is Pending</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>The Central Excise Act</td> <td>Custom Duty</td> <td>30.35</td> <td>Various year</td> <td>Commissioner Vadodara</td> </tr> <tr> <td>2.</td> <td>The FERA Act</td> <td>Penalty</td> <td>100.00</td> <td>2002-03</td> <td>Appellate Authority FERA New Delhi</td> </tr> <tr> <td>3</td> <td>The Income Tax Act</td> <td>Penalty</td> <td>46.62</td> <td>Various years</td> <td>Various Authorities</td> </tr> <tr> <td>4</td> <td>The Central Excise Act</td> <td>Excise Duty</td> <td>2.99</td> <td>Various Year</td> <td>Commissioner Vadodara</td> </tr> </tbody> </table>	Sr. No.	Nature of the Status	Nature of the due	Amount In lacs	Period to which the amount relate	Forum where dispute is Pending	1.	The Central Excise Act	Custom Duty	30.35	Various year	Commissioner Vadodara	2.	The FERA Act	Penalty	100.00	2002-03	Appellate Authority FERA New Delhi	3	The Income Tax Act	Penalty	46.62	Various years	Various Authorities	4	The Central Excise Act	Excise Duty	2.99	Various Year	Commissioner Vadodara
Sr. No.	Nature of the Status	Nature of the due	Amount In lacs	Period to which the amount relate	Forum where dispute is Pending																										
1.	The Central Excise Act	Custom Duty	30.35	Various year	Commissioner Vadodara																										
2.	The FERA Act	Penalty	100.00	2002-03	Appellate Authority FERA New Delhi																										
3	The Income Tax Act	Penalty	46.62	Various years	Various Authorities																										
4	The Central Excise Act	Excise Duty	2.99	Various Year	Commissioner Vadodara																										
8	<p>As disclosed in note no. 48 to the accounts and as verified by us, there were no transactions which were not recorded in the books of account, have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961;</p>																														
9(a)	<p>The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender except ;</p> <table border="1" data-bbox="295 1534 1412 1675"> <thead> <tr> <th>NAME OF BANKs/ INSTITUTIONs</th> <th>AMOUNT ( Rs.)</th> </tr> </thead> <tbody> <tr> <td>Baroda City Co-op Bank Limited.</td> <td>32,68,089</td> </tr> <tr> <td>Finquest Financial Solution Private Limited.</td> <td>234,70,44,523</td> </tr> </tbody> </table>	NAME OF BANKs/ INSTITUTIONs	AMOUNT ( Rs.)	Baroda City Co-op Bank Limited.	32,68,089	Finquest Financial Solution Private Limited.	234,70,44,523																								
NAME OF BANKs/ INSTITUTIONs	AMOUNT ( Rs.)																														
Baroda City Co-op Bank Limited.	32,68,089																														
Finquest Financial Solution Private Limited.	234,70,44,523																														
9(b)	<p>As disclosed in note no. 48 to the accounts and as verified by us, the company is not declared as wilful defaulter by any bank or financial institution or other lender;</p>																														
9(c)	<p>Based on the procedures performed by us and according to the information and explanations given by the Management, the term loans taken by the company were applied for the purpose for which the loans were obtained;</p>																														
9(d)	<p>On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company;</p>																														



9(e)	According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures
9(f)	According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures
10(a)	The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;
10(b)	During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable;
11(a)	During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any incidence of fraud on or by the Company noticed or reported during the year, nor we have been informed of any such case by the management;
11(b)	No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
11(c)	As represented to us by the management, there are no whistle blower complaints received by the company during the year.
12	The Company is not a nidhi company and hence the reporting under clause 3(xii) of the order is not applicable to the Company
13	In our opinion, all the transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards;
14(a)	The Company has as internal audit system commensurate with the size and nature of its business
14(b)	The internal audit reports of the Company issued till the date of Audit report, for the period under audit have been considered by us.
15	In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him and the provisions of section 192 of the Companies Act, 2013 are not applicable;
16(a)	In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable;
16(b)	There is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable;

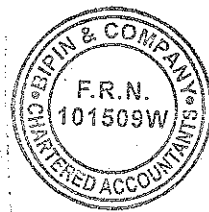




17	The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year;
18	There is no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) is not applicable;
19	<p>Based on our examination of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, knowledge of the Board of Directors and management plans, there is no material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;</p> <p>We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;</p>
20(a) & (b)	The provisions of Corporate Social Responsibility (CSR) are not applicable to the company therefore reporting under clause 20(a) and (b) is not applicable.
21	The Company is not required to prepare consolidated financial statements; therefore reporting under clause 3(xxi) of the Order is not applicable.

FOR BIPIN & CO.  
Chartered Accountants  
FRN. : 101509W

PLACE: Vadodara  
DATE:30/05/2022



AMIT D SHAH (PARTNER)  
MEMBERSHIP NO. : 126337

*(Handwritten Signature)*

## **Annexure "B" to the Independent 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 LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

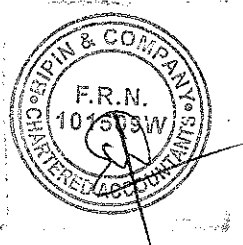
The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of internal financial control over the financial reporting issued by the Institute of Chartered Accountants of India . These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements of the company that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 (hereinafter referred to as "the Act").

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements 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, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements of the company were established and maintained and if such controls operated effectively in all material respects;

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to financial statements of the company and their operating effectiveness. Our audit of internal financial controls over the 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 Auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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;

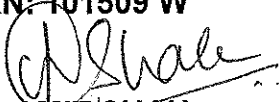
## Inherent Limitations of Internal Financial Controls over Financial Reporting

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, to the best of our information and according to explanation given to us, the Company has, in all material respects, an internal financial controls with reference to standalone financial statements of the company and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal financial controls over the 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 (the "Guidance Note").

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

  
CA AMIT SHAH  
PARTNER  
M. No.: 126337  
PLACE: VADODARA  
DATE: 30/05/2022



ROYAL CUSHION VINYL PRODUCTS LIMITED  
Balance Sheet as at 31<sup>st</sup> March, 2022

(₹ in Lacs )

Particulars	Note No.	As at 31st March,2022	As at 31st March,2021
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property Plant and Equipment	3	1,193.92	1,186.81
(b) Right of use assets	3	58.74	96.30
(c) Capital Work-in-Progress	3	-	52.62
(d) Investment Property	3	23.23	25.09
(e) Financial assets		-	-
(i) Investments	4	17.73	17.73
(ii) Other Financial Assets	5	95.49	95.30
<b>Total Non Current assets</b>		<b>1,389.11</b>	<b>1,473.86</b>
<b>(2) Current Assets</b>			
(a) Inventories	6	935.74	1,161.10
(b) Financial Assets		-	-
(i) Trade Receivables	7	344.73	272.77
(ii) Cash and Cash Equivalents	8	80.98	64.97
(iii) Bank Balances other than (ii) above	9	20.40	20.04
(iv) Loans	10	9.81	9.29
(c) Other Current Assets	11	660.71	522.15
(d) Current Tax Assets		31.80	29.89
<b>Total current assets</b>		<b>2,084.17</b>	<b>2,080.21</b>
<b>TOTAL ASSETS</b>		<b>3,473.28</b>	<b>3,554.07</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	12	1,206.72	1,206.72
(b) Other Equity	13	(41,576.19)	(46,289.05)
<b>TOTAL EQUITY</b>		<b>(40,369.47)</b>	<b>(45,082.33)</b>
<b>Liabilities</b>			
<b>(1) Non-current Liabilities</b>			
(a) Financial liabilities		-	-
(i) Borrowings	14	30,213.09	33,121.90
(ii) Lease Liabilities		25.59	67.47
(b) Provisions	15	5,876.49	5,871.74
<b>Total Non-current liabilities</b>		<b>36,115.18</b>	<b>39,061.11</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities		-	-
(i) Borrowings	14	245.77	247.61
(ii) Lease Liabilities		49.66	41.03
(iii) Trade Payables	16	-	-
- Total outstanding dues of Micro and Small Enterprises		586.71	693.07
- Total outstanding dues of Creditors other than Micro and Small Enterprises		5,519.83	7,739.10
(b) Other current liabilities	17	1,309.16	845.90
(c) Provisions	18	16.45	8.58
<b>Total current liabilities</b>		<b>7,727.57</b>	<b>9,575.28</b>
<b>Total liabilities</b>		<b>43,842.75</b>	<b>48,636.40</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,473.28</b>	<b>3,554.07</b>

The accompanying notes are an integral part of the financial statements 1 to 49

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 : 30/05/2022



For and on behalf of Board of Directors

MAHESH K. SHAH  
Chairman & Managing Director  
DIN:00054351

JAYESH A MOTASHA  
Director  
DIN:00054236

DEEPTI PAREKH  
Company Secretary  
ACS60978  
Place : MUMBAI  
Date : 30/05/2022

VIVEK D MOTASHA  
Chief Financial officer



ROYAL CUSHION VINYL PRODUCTS LIMITED  
Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2022

(₹ in Lacs )

Particulars	Note No.	for the year ended 31st March,2022	for the year ended 31st March,2021
Revenue from Operations	19	6,896.87	6,096.64
Other Income	20	45.23	1,295.80
<b>Total Income</b>		<b>6,942.10</b>	<b>7,392.44</b>
<b>Expenses</b>			
Cost of Materials Consumed	21	6,215.99	5,185.84
Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress	22	105.90	(114.95)
Employee Benefits Expense	23	546.92	515.77
Finance Costs	24	311.60	352.32
Depreciation and Amortization Expense	2	110.93	168.02
Other Expenses	25	1,198.59	1,085.29
<b>Total Expenses</b>		<b>8,489.93</b>	<b>7,192.29</b>
<b>Profit/Loss before exceptional items and tax</b>		<b>(1,547.83)</b>	<b>200.15</b>
Exceptional Items		6,261.24	-
<b>Profit/(Loss) before tax</b>		<b>4,713.41</b>	<b>200.15</b>
Tax Expense:			
(1) Current Tax		-	-
(2) Deferred tax		-	-
<b>Profit/(loss) for the period from continuing operations</b>		<b>4,713.41</b>	<b>200.15</b>
Profit/(loss) from discontinued operations			
Tax expense of discontinued operations			
Profit/(loss) from discontinued operations (after tax)			
<b>Profit/(Loss) for the period after Tax</b>		<b>4,713.41</b>	<b>200.15</b>
<b>Other Comprehensive Income</b>			
A Items that will not be reclassified to profit or loss			
(i) Remeasurement of defined benefit plans		(0.54)	(6.70)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Total other comprehensive income</b>		<b>(0.54)</b>	<b>(6.70)</b>
<b>Total Comprehensive Income for the period (Comprising Profit / (Loss) and Other Comprehensive Income for the period)</b>		<b>4,712.87</b>	<b>193.46</b>
Earnings per equity share ( for continuing operations):			
(1) Basic		39.06	1.66
(2) Diluted		39.06	1.66

The accompanying notes are an integral part of the financial statements

1 to 49

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 : 30/05/2022



For and on behalf of Board of Directors

MAHESH K.SHAH  
Chairman & Managing Director  
00054351

DEEPTI PAREKH  
Company Secretary  
ACS60978

Place : MUMBAI  
Date : 30/05/2022

JAYESH A MOTASHA  
Director  
00054236

VIVEK D MOTASHA  
Chief Financial officer

ROYAL CUSHION VINYL PRODUCTS LIMITED  
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(a) Equity share capital				(₹ in Lacs )
	Balance at the beginning of the reporting period	Changes in the equity share capital during the year	Balance at the end of the reporting period	
Number of Shares	1,20,67,212		1,20,67,212	
Value of Shares	1,206.72		1,206.72	

(b) Other equity		Reserve & Surplus			(₹ in Lacs )
Particulars	Capital reserves	Securities Premium	Investment Allowance Reserve	Retained Earnings	Total
Balance at the end of the reporting period i.e. 31.03.2020	6.49	7,232.25	45.34	(53,766.59)	(46,482.50)
Profit / (Loss) for the period	-	-	-	200.15	200.15
Other Comprehensive Income / (Loss)	-	-	-	(6.70)	(6.70)
<b>Total Other comprehensive income for the year</b>	-	-	-	<b>193.46</b>	<b>193.46</b>
Addition/( deletion ) during the year	-	-	-	-	-
Balance at the end of the reporting period i.e. 31.03.2021	6.49	7,232.25	45.34	(53,573.13)	(46,289.05)
Profit / (Loss) for the period	-	-	-	4,713.41	4,713.41
Other Comprehensive Income / (Loss) *	-	-	-	(0.54)	(0.54)
<b>Total Other comprehensive income for the year</b>	-	-	-	<b>4,712.86</b>	<b>4,712.86</b>
Addition/( deletion ) during the year	-	-	-	-	-
Balance at the end of the reporting period i.e. 31.03.2022	6.49	7,232.25	45.34	(48,860.27)	(41,576.18)

\* Represents remeasurements of defined benefit plans



**STATEMENT OF CASH FLOWS**

(₹ in Lacs )  
Year ended  
31.03.2021  
(Audited)

Particulars	Year ended 31.03.2022 (Audited)	Year ended 31.03.2021 (Audited)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit /(Loss) before Tax	-	200.15
Adjustment for :		
Depreciation and Amortization Expense	110.93	168.02
Finance Cost	311.60	352.32
Remeasurements of the defined benefit plans A/c	(0.54)	(6.70)
Interest Received	(5.18)	(6.76)
(-) Profit/Loss on Sale of fixed assets	(26.82)	(896.38)
Lease Rent received	(13.23)	(19.15)
Unclaimed Liabilities / Balance Written Back	(6,261.24)	(37.94)
<b>Operating profit before working capital changes</b>	<b>(5,884.48)</b>	<b>(446.58)</b>
Adjustment for :		
(Increase)/Decrease in inventories	225.36	(209.39)
(Increase)/Decrease in trade & other receivables	(71.96)	(117.31)
(Increase)/Decrease in loans & advances	(141.17)	(215.37)
Increase/(Decrease) in trade payables	545.31	128.29
Increase/(Decrease) in other current liabilities	463.25	(139.50)
Increase/(Decrease) in provisions	12.62	3.18
<b>Net Cash from operating activities</b>	<b>(1,033.42)</b>	<b>(796.54)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(117.35)	(34.51)
Sale of fixed assets	118.17	1,167.13
Sale/Revaluation of investments	0.00	2.51
Interest Received	5.18	6.76
Lease Rent received	13.23	19.15
<b>Net Cash Used for Investing Activities</b>	<b>19.23</b>	<b>1,161.06</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowing	446.39	11.31
Lease rental paid	(42.18)	(46.28)
(Increase)/decrease in Fixed deposit	(0.36)	3.30
Interest paid	(269.42)	(306.04)
<b>Net Cash from Financing Activities</b>	<b>134.44</b>	<b>(337.72)</b>
Net Increase in cash and cash collection	16.01	26.80
Cash & Cash Equivalents at the beginning of the year	64.97	38.17
Cash & Cash Equivalents at the end of the year	<b>80.98</b>	<b>64.97</b>
<b>Cash and Cash Equivalents shall comprise of:-</b>		
<b>Particulars</b>		
a. Balances with banks	80.59	64.48
b. Cash on hand	0.39	0.49
<b>Total</b>	<b>80.98</b>	<b>64.97</b>

The above cash flow statement has been prepared under the "indirect method " as set out in the Accounting Standard -7 "Statement of Cash Flows"

The accompanying notes are an integral part of the Ind AS financial statements

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

*Amit Shah*

Amit Shah  
(Partner)  
Membership No. 126337

Place : VADODARA  
Date : 30/05/2022



For and on behalf of Board of Directors

*Mahesh K Shah*  
MAHESH K SHAH  
Chairman & Managing Director  
00054351

*Jayesh A Motasha*  
JAYESH A MOTASHA  
Director  
00054238

*Deepti Parekh*  
DEEPTI PAREKH  
Company Secretary  
ACS60978  
Place : MUMBAI  
Date : 30/05/2022

*Vivek D Motasha*  
VIVEK D MOTASHA  
Chief Financial officer

Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2022  
03:PROPERTY, PLANT & EQUIPMENT

(₹ in Lacs)

Particulars	Land	Buildings	Plant & Equipment	Furniture & Fittings	Office Equipment's	Total	Capital Work in progress
<b>Cost</b>							
As at March 31, 2020	48.08	686.64	1,286.71	10.49	44.19	2,076.10	52.02
Additions	-	-	5.68	-	0.32	6.01	0.60
Disposals	11.80	146.91	90.39	-	-	249.10	-
As at March 31, 2021	36.27	539.73	1,202.00	10.49	44.51	1,833.01	52.62
Additions	54.58	-	60.97	-	1.81	117.35	-
Disposals	-	-	38.72	-	-	38.72	52.62
As at March 31, 2022	90.85	539.73	1,224.25	10.49	46.32	1,911.63	0.00
<b>Accumulated depreciation and impairment</b>							
As at March 31, 2020	-	169.19	331.98	3.97	14.03	519.17	-
Depreciation for the year	-	32.30	89.07	1.00	4.66	127.03	-
Impairment	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
As at March 31, 2021	-	201.49	421.05	4.97	18.69	646.20	-
Depreciation for the year	-	22.76	44.43	-0.00	4.33	71.51	-
Impairment	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
As at March, 2022	-	224.24	465.49	4.97	23.02	717.72	-
<b>Carrying amount</b>							
As at March 31, 2021	36.27	338.24	780.95	5.52	25.82	1,186.81	52.62
As at March 31, 2022	90.85	315.49	758.76	5.52	23.30	1,193.92	0.00

**Investment Property**

Particulars	Land	Building	Total
<b>Cost</b>			
As at March 31, 2020	0.47	33.87	34.33
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2021	0.47	33.87	34.33
Additions	-	-	-
Disposals	-	-	-
As at March, 2022	0.47	33.87	34.33
<b>Accumulated depreciation and impairment</b>			
As at March 31, 2020	-	7.39	7.39
Depreciation for the year	-	1.86	1.86
Impairment	-	-	-
Disposals	-	-	-
As at March 31, 2021	-	9.24	9.24
Depreciation for the year	-	1.86	1.86
Impairment	-	-	-
Disposals	-	-	-
As at March 31, 2022	-	11.10	11.10
<b>Carrying amount</b>			
As at March 31, 2021	0.47	24.62	25.09
As at March 31, 2022	0.47	22.76	23.23

**Right to Use Assets**

Particulars	Building	Forklift	Total
Net carrying value as at March 31, 2020	21.25	84.72	105.97
Additions during the year	-	-	-
Deletion during the year	-	-	-
Adjustments on account of modification (extension/termination/rental changes)	27.90	-	27.90
Depreciation during the year	(16.38)	(21.18)	(37.56)
Net carrying value as at March 31, 2021	32.77	63.54	96.30
Additions during the year	-	-	-
Deletion during the year	-	-	-
Less: Dep. expense during the year 2021-22	(16.38)	(21.18)	(37.56)
Net carrying value as at March 31, 2022	16.38	42.36	58.74

**Capital work in Progress as at 31-03-2022**

Capital Work In Progress	To be completed in			
Project - 1	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years

**Capital work in Progress as at 31-03-2021**

Capital Work In Progress	To be completed in			
Project - 1	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
	52.62			



ROYAL CUSHION VINYL PRODUCTS LIMITED  
Notes on Financial Statements for the year ended 31<sup>st</sup> March,2022

04. INVESTMENT-NON-CURRENT

(₹ in Lacs)

Particulars	Units	As at 31st March, 2022	Units	As at 31st March, 2021
A Long Term Investment (at cost)				
Investment in Shares				
i) Unquoted : (Non Trade) in Equity				
<u>Investment in Shares of Subsidiary Company :</u>				
4,50,200 Shares (PY.4,50,200) in Euroroyal Floor Limited (U.K.) of STG pound 1 (one) each fully paid up.	4,50,200	259.31	4,50,200	259.31
Less : provision for diminution in value of investment	4,50,200	<u>259.31</u>	4,50,200	<u>259.31</u>
		-		-
30,000 (PY 30,000) equity shares in AB Corp Ltd of ₹10/- each fully paid up.	30,000	24.75	30,000	24.75
Less : Provision for Diminution in value of Investment	30,000	<u>24.75</u>	30,000	<u>24.75</u>
		-		-
7,500 (PY.7,500) shares in Baroda City Co-op Bank Ltd. of ₹10/- each fully paid up.	7,500	0.75	7,500	0.75
1,416 (PY.1,000) shares in Saraswat Co-op Bank Ltd. of ₹10/- each fully paid up	1,416	0.21	1,416	0.21
B <u>Government Securities</u>				
National Saving Certificates ( Pledged with Government Authorities )		0.02		0.02
C <u>Investment by way of capital in a partnership firm</u>				
Creative Investment		<u>16.75</u>		<u>16.75</u>
<b>Total</b>		<b><u>17.73</u></b>		<b><u>17.73</u></b>
<b>Particulars</b>		<b>As at 31st March, 2022</b>		<b>As at 31st March, 2021</b>
Aggregate amount of unquoted investments		285.02		285.02
Aggregate Provision for the diminution in Value of investments		284.06		284.06

4.1) The Company has made an investment of ₹ 259.31 lacs ( £ 450.200) in Euroroyal Floors Ltd. ("ERF"), a wholly owned subsidiary in U.K.. The subsidiary also owes ₹ 2333.76 lacs ( Net of commission payable ₹ 106.19 lacs ) towards supply of goods made to it. The principal customers of ERF in Russia did not honour the debts, Due to this ERF in turn, could not pay it's 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 ₹ 2333.76 lacs due from ERF had been made in earlier year.

05. OTHER FINANCIAL ASSETS-CURRENT

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deposits	95.49	95.30
<b>Total</b>	<b>95.49</b>	<b>95.30</b>

06. INVENTORIES

Particulars	As at 31st March,2022	As at 31st March,2021
Raw materials	128.34	259.29
Work-in-progress	455.85	403.80
Finished goods	222.66	380.60
Packing Materials	25.39	26.26
Consumable Stores	102.35	90.62
Fuel	1.15	0.52
<b>Total</b>	<b>935.74</b>	<b>1,161.10</b>

07. TRADE RECEIVABLES

Particulars	As at 31st March, 2022	As at 31st March, 2021
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	178.83	18.45
Considered Doubtful	2,345.74	2,345.74
	<b>2,524.57</b>	<b>2,364.19</b>
Less : Provision for Doubtful Debts	2,345.74	2,345.74
	178.83	18.45
Others (Considered good)	165.90	254.32
<b>Total</b>	<b>344.73</b>	<b>272.77</b>

### 7.1) Trade Receivables ageing schedule as at 31st March,2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	165.90	158.09	1.02	0.63	19.09	344.73
(ii) Undisputed Trade receivables -considered doubtful	-	-	-	-	2,345.74	2,345.74
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-
(v) Allowance for doubtful trade receivables	-	-	-	-	(2,345.74)	(2,345.74)
	165.90	158.09	1.02	0.63	19.09	344.73

### Trade Receivables ageing schedule as at 31st March,2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	254.32	0.11	1.25	3.66	13.43	272.77
(ii) Undisputed Trade receivables -considered doubtful	-	-	-	-	2,345.74	2,345.74
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-
(v) Allowance for doubtful trade receivables	-	-	-	-	(2,345.74)	(2,345.74)
	254.32	0.11	1.25	3.66	13.43	272.77

### 08. CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2022	As at 31st March, 2021
a. Balances with banks	80.59	64.48
b. Cash on hand	0.39	0.49
Total	80.98	64.97

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Fixed Deposit with banks	20.40	20.04
Total	20.40	20.04

Fixed deposit of ₹ 20.40 lacs (P.Y. ₹ 20.03 lacs), held as security deposit against Bank Guarantee.

### 10. LOANS-CURRENT

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advances to Employees	9.81	9.29
Total	9.81	9.29

### 11. OTHER CURRENT ASSETS

(Unsecured, considered good)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Prepaid Expenses	10.28	5.11
Advances to Suppliers	23.99	40.73
Balance with Government authorities	626.43	476.31
Total	660.71	522.15

### 12. SHARE CAPITAL

Particulars	As at 31st March, 2022	As at 31st March, 2021
Authorised : 30,000,000 (Previous year 30,000,000)		
Equity Shares of ₹ 10/- each	3,000.00	3,000.00
Issued, Subscribed & Paid up 12,067,212		
( Previous Year 12,067,212) Equity Shares of ₹ 10/- each fully paid up	1,206.72	1,206.72
Total	1,206.72	1,206.72

#### 12.1) Rights of Equity Shareholders

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

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Numbers	₹ in lacs	Numbers	₹ in lacs
Shares outstanding at the beginning of the year	1,20,67,212	1,206.72	1,20,67,212	1,206.72
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,20,67,212	1,206.72	1,20,67,212	1,206.72



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

	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Bhaktavatsala Trading & Consultancy Services LLP	10,35,210	8.58	10,35,210	8.58
Sahishnu Trading & Consultancy Services LLP	7,09,340	5.88	7,09,340	5.88
Shreedaha Trading & Consultancy Services LLP	7,09,300	5.88	7,09,300	5.88
Sughosh Trading & Consultancy Services LLP	7,09,310	5.88	7,09,310	5.88
Trilokatma Trading & Consultancy Services LLP	10,35,210	8.58	10,35,210	8.58
Lapada (Mauritius) Limited	28,80,000	23.87	28,80,000	23.87

12.4) Shareholding of Promoters

Name of Promoter *	As at March 31, 2022		As at March 31, 2021		% change during the year
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
Bhaktavatsala Trading & Consultancy Services LLP	10,35,210	8.58	10,35,210	8.58	0.00
Trilokatma Trading & Consultancy Services LLP	10,35,210	8.58	10,35,210	8.58	0.00
Lokswami Trading & Consultancy Services LLP	4,03,150	3.34	4,03,150	3.34	0.00
Sahishnu Trading & Consultancy Services LLP	7,09,340	5.88	7,09,340	5.88	0.00
Sughosh Trading & Consultancy Services LLP	7,09,310	5.88	7,09,310	5.88	0.00
Shreedaha Trading & Consultancy Services LLP	7,09,300	5.88	7,09,300	5.88	0.00
Vishvamurti Trading & Consultancy Services Pvt Ltd.	8,570	0.07	8,570	0.07	0.00
Trilokesh Trading & Consultancy Services Pvt Ltd	45,690	0.38	45,690	0.38	0.00
Sumukh Trading & Consultancy Services LLP	44,970	0.37	44,970	0.37	0.00
Anuradha Jayesh Jhaveri	28,000	0.23	28,000	0.23	0.00
Anuradha Arvind Motasha	1,000	0.01	1,000	0.01	0.00
Arvind Vadilal Motasha	16,903	0.14	16,903	0.14	0.00
Bhavana Mukesh Motasha	40,822	0.34	40,822	0.34	0.00
Deepak Amrutlal Motasha	27,001	0.22	27,001	0.22	0.00
Dipti Jayesh Motasha	1,051	0.01	1,051	0.01	0.00
Hansa Arvind Motasha	27,600	0.23	27,600	0.23	0.00
Jayesh A Motasha	26,800	0.22	26,800	0.22	0.00
Jayshree Mahesh Shah	400	0.00	400	0.00	0.00
Mahesh Kantilal Shah	39,450	0.33	39,450	0.33	0.00
Meena Vinod Shah	74,000	0.61	74,000	0.61	0.00
Mukesh Amrutlal Motasha	25,701	0.21	25,701	0.21	0.00
Sushilaben K Shah	18,550	0.15	18,550	0.15	0.00
Suvrat Mahesh Shah	13,600	0.11	13,600	0.11	0.00
Sweta Deepak Motasha	300	0.00	300	0.00	0.00
Varun Jayesh Motasha	19,800	0.16	19,800	0.16	0.00
Vinod Kantilal Shah	41,400	0.34	41,400	0.34	0.00
Lapada (Mauritius) Limited	28,80,000	23.87	28,80,000	23.87	0.00

\* Details of Promoters are identified based on information submitted with the BSE Ltd. as per SEBI (LODR) Regulations, 2015 (as amended) and the Annual Return filed in accordance with the provision of Section 92 of the Act.

13. OTHER EQUITY

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>a. CAPITAL RESERVE</b>		
Opening Balance	6.49	6.49
Addition	-	-
Deduction	-	-
Closing Balance	6.49	6.49
<b>b. SECURITIES PREMIUM RESERVE</b>		
Opening Balance	7,232.25	7,232.25
Addition	-	-
Deduction	-	-
Closing Balance	7,232.25	7,232.25
<b>c. INVESTMENT ALLOWANCE RESERVE</b>		
Opening Balance	45.34	45.34
Addition	-	-
Deduction	-	-
Closing Balance	45.34	45.34
<b>d. SURPLUS/DEFICIT IN THE STATEMENT OF PROFIT &amp; LOSS</b>		
Opening Balance	(53,573.13)	(53,766.59)
Remeasurement of defined benefits plans	(0.54)	(6.70)
Add : Profit for the year	4,713.41	200.15
Closing Balance	(48,860.27)	(53,573.13)
<b>Total</b>	<b>(41,576.19)</b>	<b>(46,289.05)</b>

Nature and Purpose of each reserve

- a) Capital reserve - During amalgamation, the excess of net assets taken, over the consideration paid, if any, is treated as capital reserve.
- b) 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.
- c) Investment allowance reserve - Investment Allowance Reserve was created under the provisions of Income tax, when new machineries were purchased.

14. BORROWING	Particulars	(₹ in Lacs)			
		As at 31st March, 2022		As at 31st March, 2021	
		Current	Non Current	Current	Non Current
<u>Secured</u>					
Loan from Banks	-	32.68	19.83	32.68	
Loans from Financial Institutions	-	23,260.45	-	23,470.45	
Loan/deposit/advances from Others	245.77	1,840.01	227.78	5,475.07	
<u>Unsecured</u>					
Loan from Companies	-	1,729.49	-	1,226.65	
Loan from Directors	-	1,026.55	-	565.63	
Loan from Others	-	2,323.91	-	2,330.43	
<b>Total</b>		<b>245.77</b>	<b>30,213.08</b>	<b>247.61</b>	<b>33,121.90</b>

14.1 (a) As in the past, in current year also, due to non-receipt of the statements / advices / balance confirmation certificates from the financial institutions / banks, book entries pertaining to banks and financial institutions, the balances could not be reconciled. Further, in absence of such details and information, the amount payable also could not be estimated or ascertained. Thus, bank balances and balances of such financial institutions as on 31.03.2022 are subject to adjustments, if any, to be carried out on receipt of the relevant statements / advices / balance confirmation certificates from banks/ financial institutions.

(b) The original lenders of the Company namely IDBI, Bank of India, Oriental Bank of Commerce and EXIM Bank had assigned their dues to Asset Reconstruction Company of India Limited ('ARCIL') in the year 2006-07 and thereafter ARCIL assigned its rights in dues of the Company to SICOM Limited in the year 2011-12. During the financial year 2017-18, SICOM Limited assigned its rights in the dues outstanding from the Company to Finquest Financial Solutions Private Limited ('Finquest'). Similarly, during the financial year 2017-18, Saraswat Co-op Bank Ltd. assigned its rights in the dues outstanding from the Company to Finquest. Therefore, the outstanding loan balance of all these original lenders have been presented to the credit of Finquest. The Company has not provided interest on loan outstanding to the credit of Finquest. Similarly, the Company has not provided interest on loan outstanding of Baroda City Co-op Bank, as the Company has already given one-time settlement proposal to bank. Had the Company provided interest as per practice followed in earlier years, loss would have been higher by ₹.1295.87 lacs (P.Y. ₹ 1311.63 lacs).

(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 (Now merged with IDFC Bank Ltd.) (IDFC) by giving their personal property as collateral security. These loans are released by DB and IDFC to Natroyal Industries Private Limited ('NIPL'). Pursuant to the arrangement / understanding between NIPL, Directors, associates and the Company, the said loan amount were transferred by NIPL to the Company and the Company has treated the same as Loan from NIPL. The instalments 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 31.03.2022 for DB is ₹ 1031.38 lacs and IDFC is ₹ 1054.40 lacs.

#### 15. PROVISION - NON-CURRENT

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Employee Benefits		
Provision for Gratuity	169.65	162.52
Provision for Leave Benefits	22.69	25.28
Provision for Customs duty including interest	5,683.95	5,683.95
<b>Total</b>	<b>5,876.49</b>	<b>5,871.74</b>

15.1) Under the Duty Exemption Scheme of Advance License (as well as similar other license scheme) pursuant to Import & Export Policy of Government of India duty free imports of raw materials are permitted and they are required to be used in manufacturing of goods for export, as well as, export of goods has to be effected within the time allowed, in terms of the scheme. The Company has availed of such licenses from time to time. In the past, it had fulfilled its export obligations. The Company had imported duty free raw material under certain licenses, however it could not effect export within the time allowed due to circumstances beyond the control of the Company. The Company has evaluated its obligations under the scheme and it has been advised that in view of non fulfillment of export obligations, the authorities can recover the import duty and mandatory interest thereon. From 01.04.2014 the Company has stopped providing interest on custom duty liability. Had the company provided interest as per practice followed in earlier years loss would have been higher by ₹ 278.66 lacs and reserve and surplus would have been lower to that extent during the year.

15.2) BIFR's Order dated 11/06/2015 includes various reliefs from DFGT such as extension of Export Obligation Period, Waiver of Penalties and also refund from Customs against Advance Licenses and EPCG Licenses once the export obligation is extended and completed. The company has also got extension of export obligation for various Licenses and is in the process of getting extension of Export Obligation of Advance Licenses and EPCG Licenses. In the year 2000, 2001 and 2006, the Customs Dept. has encashed Bank Guarantees provided by Union Bank of India and Global Trust Bank. The total amount of these Guarantees is ₹ 4.35 Crores. The company is in the process of consolidating all the documents and will file the claim with Customs Dept. for refund of the Bank Guarantees amount etc. As the application is yet to be filed, this amount is not shown as "Receivable" in the Balance Sheet.

#### 16. TRADE PAYABLES

Particulars	As at 31st March, 2022	As at 31st March, 2021
Micro & Small Enterprises (Ref Note No.37)	586.71	693.07
Others	5,519.83	7,739.10
<b>Total</b>	<b>6,106.54</b>	<b>8,432.17</b>

##### 16.1) Trade Payables ageing schedule: As at 31st March, 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	401.67	11.21	1.32	172.51	586.71
(ii) Others	1,202.81	3,773.19	4.61	530.26	5,519.87
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	8.96	8.96
<b>Total</b>	<b>1,604.48</b>	<b>3,784.40</b>	<b>5.93</b>	<b>711.73</b>	<b>6,106.54</b>

##### Trade Payables ageing schedule: As at 31st March, 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	481.07	27.52	9.14	175.34	693.07
(ii) Others	3,755.20	13.91	461.24	3,499.79	7,730.14
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	8.96	8.96
<b>Total</b>	<b>4,236.27</b>	<b>41.43</b>	<b>470.38</b>	<b>3,684.09</b>	<b>8,432.17</b>

#### 17. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Advance from Customers	1,141.68	780.32
(b) Statutory Liabilities	57.48	54.59
(c) Other Liabilities	110.00	11.00
<b>Total</b>	<b>1,309.16</b>	<b>845.90</b>



ROYAL CUSHION VINYL PRODUCTS LIMITED  
Notes on Financial Statements for the year ended 31st March, 2022

(₹ in Lacs )

18. PROVISIONS - CURRENT

Particulars	As at 31st March, 2022	As at 31st March, 2021
( a ) Provision for Gratuity	11.66	4.39
( b ) Provision for Leave Benefits	4.79	4.19
<b>Total</b>	<b>16.45</b>	<b>8.58</b>

19. REVENUE FROM OPERATION

	2021-22	2020-21
Sales of Products and services	6,807.55	6,048.00
	<b>6,807.55</b>	<b>6,048.00</b>
<b>Other Operating Revenue</b>		
Sale of Scrap	89.32	48.64
	<b>89.32</b>	<b>48.64</b>
<b>Total</b>	<b>6,896.87</b>	<b>6,096.64</b>

19.1)

Particulars	2021-22	2020-21
-------------	---------	---------

DETAILS OF TURNOVER :

PVC Floor Covering	6,263.16	5,739.73
PVC Leather cloth	544.39	308.27
<b>Total</b>	<b>6,807.55</b>	<b>6,048.00</b>

20. OTHER INCOMES

Interest	5.18	6.76
Govt. Grant received	-	335.56
Unclaimed Liabilities /Provision / Balance Written Back	-	37.94
Lease Rent	13.23	19.15
Profit on sale of Fixed assets	26.82	896.38
<b>Total</b>	<b>45.23</b>	<b>1,295.80</b>

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

21. COST OF MATERIAL CONSUMED

	2021-22	2020-21
Opening Stock	259.29	190.84
Purchases	6,085.04	5,254.29
	<b>6,344.33</b>	<b>5,445.13</b>
Less: Closing Stock	128.34	259.29
<b>Total</b>	<b>6,215.99</b>	<b>5,185.84</b>

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

RAW MATERIAL CONSUMED	2021-22	%	2020-21	%
Imported	497.61	8.01	16.42	0.32
Indigenous	5,718.38	91.99	5,169.42	99.68
<b>Total</b>	<b>6,215.99</b>	<b>100.00</b>	<b>5,185.84</b>	<b>100.00</b>

RAW MATERIAL CONSUMED

	2021-22	2020-21
PVC Resin	3,208.45	2,476.07
Plasticizers	1,366.62	1,002.81
Others	1,640.93	1,706.97
<b>Total</b>	<b>6,215.99</b>	<b>5,185.84</b>

22. CHANGES IN INVENTORIES OF FINISHED GOODS , STOCK IN TRADE AND WORK IN PROGRESS

	2021-22	2020-21
<u>Opening Stock</u>		
Finished Goods	380.60	212.01
Work-in-process	403.80	457.44
	<b>784.41</b>	<b>669.46</b>
<u>Less: Closing Stock</u>		
Finished Goods	222.66	380.60
Work-in-process	455.85	403.80
	<b>678.51</b>	<b>784.41</b>
<b>Total</b>	<b>105.90</b>	<b>(114.95)</b>

22.1) DETAILS OF INVENTORY OF FINISHED GOODS

	2021-22	2020-21
PVC Floor Covering	222.66	380.60
<b>Total</b>	<b>222.66</b>	<b>380.60</b>

(₹ in Lacs )

	2021-22	2020-21
<b>23. EMPLOYEES BENEFITS EXPENSE</b>		
Salaries	483.61	463.15
Contribution to Provident Fund and Other Funds	32.24	27.28
Gratuity	19.67	19.63
Staff Welfare	11.40	5.71
<b>Total</b>	<b>546.92</b>	<b>515.77</b>
<b>24. FINANCE COSTS</b>	<b>2021-22</b>	<b>2020-21</b>
Interest on borrowings	300.50	337.16
Interest on Lease Liabilities	8.94	12.51
Bank Charges	2.16	2.65
<b>Total</b>	<b>311.60</b>	<b>352.32</b>
<b>25. OTHER EXPENSES</b>	<b>2021-22</b>	<b>2020-21</b>
Consumption of stores and spares	81.01	76.46
Consumption of packing material	189.41	187.39
Power and fuel	621.28	464.72
Lease Rent	4.67	2.13
Rates and taxes	1.12	21.08
Insurance	10.68	14.78
Electricity Charges	7.82	8.18
<b>Repairs and maintenance</b>		
- Plant and machinery	29.92	55.71
- Buildings	0.11	1.53
- Others	0.62	0.99
Design & Development	7.88	4.67
Machine Operating Charges	44.36	48.66
Services and maintenance	35.13	28.17
Advertising and sales promotion	1.34	1.26
Travelling and conveyance	1.80	2.08
Telephone Expense	2.40	3.40
Vehicle Expense	30.22	25.95
Legal and professional fees	52.90	50.09
<b>Payment to auditor</b>		
- Audit fees	2.27	2.27
- Tax Audit fees	0.30	0.30
- Certification Work	0.45	0.08
Share of loss from Partnership firm	0.00	0.01
Freight and forwarding charges Outward	2.13	3.19
Miscellaneous expenses	70.77	82.18
<b>Total</b>	<b>1,198.59</b>	<b>1,085.29</b>



Note 26 - Categories of Financial Instruments and Fair Value Hierarchy

(₹ in Lacs)

	As at 31-03-2022			
	Amount	Level 1	Level 2	Level 3
<b>Financial Assets</b>				
<b>Classified as Fair value through Profit &amp; Loss</b>				
Investments :-				
In Equity Instruments (Unquoted)	0.96	-	-	0.96
<b>Classified as Amortised Cost</b>				
Investment in Partnership firms	16.75	-	-	-
Govt. Securities	0.02	-	-	-
Trade Receivables	344.73	-	-	-
Loans	9.81	-	-	-
Cash and cash equivalents	80.98	-	-	-
Bank Balances other than Cash and Cash Equivalents	20.40	-	-	-
Security Deposit	95.49	-	-	-
<b>Total Financial Assets</b>	<b>569.14</b>	<b>-</b>	<b>-</b>	<b>0.96</b>
<b>Financial Liabilities</b>				
<b>Classified as Amortised Cost</b>				
Borrowings	30,458.86	-	-	-
Lease Liabilities	75.25	-	-	-
Trade payables	6,106.54	-	-	-
<b>Total Financial liabilities</b>	<b>36,640.65</b>	<b>-</b>	<b>-</b>	<b>-</b>

	As at 31-03-2021			
	Amount	Level 1	Level 2	Level 3
<b>Financial Assets</b>				
<b>Classified as Fair value through Profit &amp; Loss</b>				
Investments :-				
In Equity Instruments (Unquoted)	0.96	-	-	0.96
<b>Classified as Amortised Cost</b>				
Investment in Partnership firms	16.75	-	-	-
Govt. Securities	0.02	-	-	-
Trade Receivables	272.77	-	-	-
Loans	9.29	-	-	-
Cash and cash equivalents	64.97	-	-	-
Bank Balances other than Cash and Cash Equivalents	20.04	-	-	-
Security Deposit	95.30	-	-	-
<b>Total Financial Assets</b>	<b>480.10</b>	<b>-</b>	<b>-</b>	<b>0.96</b>
<b>Financial Liabilities</b>				
<b>Classified as Amortised Cost</b>				
Borrowings	33,369.51	-	-	-
Lease Liabilities	108.50	-	-	-
Trade payables	8,540.66	-	-	-
<b>Total Financial liabilities</b>	<b>42,018.67</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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

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

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

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

The Management considers that the carrying amount of financial 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 fails to meet its contractual obligations.

**a) Cash and Cash Equivalents**

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

**Liquidity risk**

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

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

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

(₹ in Lacs )

Particulars	For the year ended 31.03.2022			Total
	Less than 1 Year	1-5 Years	above 5yrs	
Borrowings	245.77	1,422.85	29,790.44	30,459.06
Trade payables	6,106.54	-	-	6,106.54
Lease Liabilities	49.86	25.39	-	75.25
Other financial liabilities	1,309.16	-	-	1,309.16
<b>Total</b>	<b>7,711.13</b>	<b>1,448.24</b>	<b>29,790.44</b>	<b>37,949.81</b>

Particulars	For the year ended 31.03.2021			Total
	Less than 1 Year	1-5 Years	above 5yrs	
Borrowings	247.61	1,488.00	31,633.90	33,369.51
Trade payables	8,432.17	-	-	8,432.17
Lease Liabilities	41.03	67.47	-	108.50
Other financial liabilities	845.90	-	-	845.90
<b>Total</b>	<b>9,566.71</b>	<b>1,555.47</b>	<b>31,633.90</b>	<b>42,756.08</b>

**Market risk**

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

**Interest rate risk**

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

**Note 28 - EMPLOYEE BENEFIT PLANS**

**Annexure 'A' GRATUITY**

(₹ in Lacs )

Define Benefit Plans as per actuarial valuation under ind AS 19 period of accounting

Valuation Result as at	31-Mar-22	31-Mar-21
<b>I Changes in present value of obligations</b>		
PVO at beginning of period	166.91	164.70
Interest cost	10.36	10.38
Current Service Cost	9.31	9.26
Past Service Cost- (non vested benefits)	-	-
Past Service Cost -(vested benefits)	-	-
Benefits Paid	(5.81)	(24.12)
Contributions by plan participants	-	-
Business Combinations	-	-
Curtailments	-	-
Settlements	-	-
Actuarial (Gain)/Loss on obligation	0.54	6.70
PVO at end of period	181.31	166.91
<b>II Interest Expenses</b>		
Interest cost	10.36	10.38
<b>III Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning	-	-
Interest Income	-	-
<b>IV Net Liability</b>		
PVO at beginning of period	166.91	164.70
Fair Value of the Assets at beginning report	-	-
Net Liability	166.91	164.70
<b>V Net Interest</b>		
Interest Expenses	10.36	10.38
Interest Income	-	-
Net Interest	10.36	10.38
<b>VI Actual return on plan assets</b>		
Less Interest income included above	-	-
Return on plan assets excluding interest income	-	-
<b>VII Actuarial (Gain)/Loss on obligation</b>		
Due to Demographic Assumption*	-	-
Due to Financial Assumption	(6.17)	5.55
Due to Experience	6.71	1.15
Total Actuarial (Gain)/Loss	0.54	6.70

Accounting Disclosures Statement Period of accounting

**Annexure 'A' GRATUITY**

	31-Mar-22	31-Mar-21
<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 Employee	-	-
Benefits Paid	(5.81)	(24.12)
Fair Value of Plan Assets at end	-	-
Past Service Cost Recognised	-	-
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	-	-
Amounts to be recognized in the balance sheet	-	-
PVO at end of period	181.31	166.91
Fair Value of Plan Assets at end of period	-	-
Funded Status	(181.31)	(166.91)
Net Asset/(Liability) recognized in the balance sheet	(181.31)	(166.91)
Expense recognized in the statement of P & L A		
Current Service Cost	9.31	9.26
Net Interest	10.36	10.38
Past Service Cost- (non vested benefits)	-	-
Past Service Cost -(vested benefits)	-	-
Curtailment Effect	-	-
Settlement Effect	-	-
Unrecognised Past Service Cost- non vested benefits	-	-
Actuarial (Gain)/Loss recognized for the period	-	-
Expense recognized in the statement of P & L A/C	19.67	19.63



		Annexure 'A'	
		31-Mar-22	31-Mar-21
	<b>Period of accounting</b>		
XII	<b>Other Comprehensive Income (OCI)</b>		
	Actuarial (Gain)/Loss recognized for the period	0.54	6.70
	Asset limit effect	-	-
	Return on Plan Assets excluding net interest	-	-
	Unrecognized Actuarial (Gain)/Loss from previous period	-	-
	Total Actuarial (Gain)/Loss recognized in (OCI)	0.54	6.70
XIII	<b>Movements in the Liability recognized in Balance Sheet</b>		
	Opening Net Liability	166.91	164.70
	Adjustment to opening balance	-	-
	Expenses as above	19.67	19.63
	Contribution paid	(5.81)	(24.12)
	Other Comprehensive Income(OCI)	0.54	6.70
	Closing Net Liability	181.31	166.91
XIV	<b>Schedule III of The Companies Act 2013</b>		
	Current Liability	11.66	4.39
	Non-Current Liability	169.65	162.52
XV	<b>Projected Service Cost 31 Mar 2023</b>	9.43	-
XVI	<b>Asset Information</b>	Target Allocation	
XVII	<b>Assumptions as at</b>	31-Mar-22	31-Mar-21
	Mortality	IALM (2012-14) Ult.	IALM (2006-08) Ult.
	Interest / Discount Rate	6.85%	6.32%
	Rate of increase in compensation	8.00%	8.00%
	Annual increase in healthcare costs		
	Future Changes in maximum state healthcare benefits		
	Expected average remaining service	8.75	9.89
	Retirement Age	58 Years	58 Years
	Employee Attrition Rate	Age: 0 to 40 : 3%	Age: 0 to 40 : 3%
		Age: 41 to 50 : 2%	Age: 41 to 50 : 2%
		Age: 51 to 58 : 1%	Age: 51 to 58 : 1%

XVIII **Sensitivity Analysis**

	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	170.62	193.27	192.00	171.57

XIX **Expected Payout**

	31-Mar-22	31-Mar-21
1st following year	11.66	4.39
2nd following year	14.53	9.32
3rd following year	23.41	12.31
4th following year	14.96	21.67
5th following year	13.68	15.90
Sum of 6 to 10 years	108.91	102.43

XX **Asset Liability Comparisons**

Year	31-03-2018	31-03-2019	31-03-2020	31-03-2021	31-03-2022
PVO at end of period	178.50	187.05	164.70	166.91	181.31
Plan Assets	-	-	-	-	-
Surplus/(Deficit)	(178.50)	(187.05)	(184.70)	(166.91)	(181.31)
Experience adjustments on plan assets	-	-	-	-	-

Weighted average remaining duration of Defined Benefit Obligation 6.52

**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	₹ in Lacs )	
	31.03.2022	31.03.2021
Gross Debt	30,458.85	33,369.51
Less: -	-	-
Cash and Cash Equivalent	80.98	64.97
Other Bank Balance	20.40	20.04
Net debt (A)	30,357.47	33,284.50
Total Equity (B)	(40,369.46)	(45,082.33)
Net debt to equity ratio	(0.75)	(0.74)

**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 105-'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**

a) Euroroyal Floor Ltd.

**(B) ASSOCIATES CONCERN**

- a) Natroyal Industries Pvt.Limited  
b) Sughosh Trading & Consultancy Services LLP  
c) Trilokama Trading & Consultancy Services LLP  
d) Shreedaha Trading & Consultancy Services LLP  
e) Shreeshaha Trading & Consultancy Services LLP  
f) Bhaktavatsala Trading & Consultancy Services LLP  
g) Trilokesh Trading & Consultancy Services LLP  
h) Lokwami Trading & Consultancy Services LLP  
i) Sahishnu Trading & Consultancy Services LLP

**(C) KEY MANAGERIAL PERSONNEL**

- a) Mahesh K Shah (Chairman & Managing Director)  
b) Jayesh Motasha (Non Executive Director)  
c) Deepti Parekh (Company Secretary) @  
d) Vivek D Motasha ( CFO) @

**(D) BOARD OF DIRECTORS**

- a) Mahesh K Shah (Chairman & Managing Director)  
b) Jayesh Motasha (Non Executive Director)  
c) Harsha Shah  
d) Avani Pandit

**2 RELATED PARTY TRANSACTIONS**

(₹ in Lacs )

Nature of Transaction	2021-22			2020-21		
	Subsidiary	Associates	Key Management	Subsidiary	Associates	Key Management
<b>Purchases of goods &amp; Services</b>						
Natroyal Industries Private Limited		2,953.38	-	-	3,614.82	-
<b>Sales of goods, Services etc.</b>						
Natroyal Industries Private Limited		4,490.03	-	-	6,092.99	-
<b>Repayment of Loan</b>						
Natroyal Industries Private Limited(ref.No.14.1(C )		227.78	-	-	26.73	121.18
Mahesh K Shah						23.71
Jayesh A Motasha			10.73			
<b>Remuneration</b>						
Mahesh K Shah			9.29			8.49
Nivedita Arun Juvatkar			0.62			3.30
Deepti Parekh			5.14			
Vivek D Motasha			5.05			
<b>Loan Received</b>						
Mahesh K Shah			451.65			
<b>Outstanding of deposit/advance received</b>						
Natroyal Industries Private Limited(ref.No. 40 )					3,390.29	
<b>Loan Payable</b>						
Natroyal Industries Private Limited		2,085.77			2,313.55	
Shreedaha Trading & Consultancy LLP		4.00			4.00	
Trilokesh Trading & Consultancy LLP		287.13			287.13	
Shreeshaha Trading & Consultancy LLP		536.14			536.14	
Vishwamurthy Trading & Consultancy LLP		36.76			36.76	
Lokwami Trading & Consultancy LLP		96.77			96.77	
Bhaktavat Trading & Consultancy LLP		192.06			192.06	
Sahishnu Trading & Consultancy LLP		15.15			15.15	
Sughosh Trading & Consultancy LLP		13.70			13.70	
Trilokamata Trading & Consultancy LLP		274.58			274.58	
Sumkh Trading & Consultancy LLP		243.18			243.18	
Mahesh K Shah			31.91		-	42.64
Jayesh A Motasha			994.64		-	542.99
<b>Trade Payable</b>						
Natroyal Industries Private Limited(ref.No. 40 )		3,511.08	-	-	5,611.40	-
<b>Trade Receivable *</b>						
Euroroyal Floor Limited	2,333.76			2,333.76		



@ During the year Mrs. Deepti Parekh, Company Secretary appointed on 14/06/2021 and Mr. Vivek Motasha, Chief Financial Officer appointed on 11/10/2021.

\* In respect of above parties, there is no provision for doubtful debts as on 31st Mar. 2022, except ₹ 2333.76 lacs provided in respect of due by the Subsidiary Company in earlier year. The High Court of Justice of U.K. made a winding-up order dated 11th June, 2001 against Euroroyal Floor Ltd and the official receiver has been appointed to liquidate the assets of ERF. Thereafter order dated 12/03/2002 was passed and Euroroyal Floor Ltd is dissolved. Further full provision has been made towards receivable of ₹ 2333.76 lacs from Euroroyal Floor Ltd in earlier years.

Particulars	As at	
	31.03.2022	31.03.2021
Claims against the Company not acknowledged as debts	4,586.64	4,586.64
Liabilities disputed -appeals filed with respect to CEGATE, Mumbai	21.05	21.05
Excise duty on account of valuation / cervat credit / service tax	2.99	12.97
Custom duty Liabilities disputed -CESTA appeals filed with respect to	9.30	9.30
Income tax on account of disallowances / additions	46.62	46.62
Penalty Impose by FERA & disputed by Company	100.00	100.00

#### 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	2021-22	2020-21
a. Net Profit/(loss) after Tax available for equity shareholders (₹ in lacs)	4,713.41	200.15
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) (₹)	39.06	1.66

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

Investment Property:	31.03.2022	31.03.2021
i Amounts recognised in profit or loss for investment properties Rental	13.23	19.15
Direct operating expenses from property that generated rental income	-	-
Depreciation	(1.86)	(1.86)
<b>Profit from Investment Property</b>	<b>11.37</b>	<b>17.30</b>
	-	-
iii Fair value	385.72	385.72
Estimation of fair value: Method of Estimation		
We have used the prevailing market rate for the purposes of arriving at the fair value of land and buildings.		

Note 35 : The Company is a partner in M/s.Creative Investment, the details of the partners, their share in profit / loss and total Capital of the partners of the firm as on 31.03.2022 are as under.

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

b) The total Capital of the Partners is ₹ 24.33 lacs

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

#### Note 36 : Leases

a) The following is the movement in lease liabilities	(₹ in Lacs)
Lease commitments as at 31 March 2020	135.02
Addition during the period	-
Finance cost accrued during the period	12.51
Adjustments on account of modification (extension/termination/rental changes)	6.24
Payment of lease liabilities	(49.40)
<b>Lease commitments as at 31 March 2021</b>	<b>105.38</b>
Addition during the period	-
Finance cost accrued during the period	8.83
Adjustments on account of modification (extension/termination/rental changes)	-
Payment of lease liabilities	(46.74)
<b>Lease commitments as at 31 March 2022</b>	<b>67.47</b>

b) Maturity Analysis of Lease Liabilities (₹ in Lacs)

	31st March, 2022	31st March, 2021
<b>Maturity Analysis - Contractual undiscounted Cash Flows</b>		
Less than one year	46.74	46.74
One to five years	27.00	73.74
More than five years	-	-
<b>Total Undiscounted Lease Liabilities</b>	<b>73.74</b>	<b>120.48</b>
Discounting element	(6.27)	(15.10)
<b>Total discounted liabilities</b>	<b>67.47</b>	<b>105.38</b>
<b>Lease Liabilities included in the Statement of Financial Position</b>		
	<b>31st March, 2022</b>	<b>31st March, 2021</b>
Non Current	25.59	67.47
Current	41.88	37.91
<b>Total</b>	<b>67.47</b>	<b>105.38</b>

c) Amount Recognized in the Statement of Profit & Loss

	31st March, 2022	31st March, 2021
Interest on Lease Liabilities	8.83	12.51
Expenses relating to short-term leases	4.67	2.13
Depreciation on Lease Asset	37.56	39.13

- d) Consequently, for all leases (other than short-term leases and leases of low-value assets), a right-of-use asset was recognized on the balance sheet for an amount equal to the liability for future lease payments, adjusted by the amount of any prepaid or accrued lease payments.

Note 37 :Disclosure pursuant to Section22 of "The Micro, Small & Medium Enterprises Development Act, 2006" is as follows:

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

Particulars	2021-22	2020-21
i) Principal amount remaining unpaid at the end of the year	566.70	693.07
ii) Interest accrued at the end of the year	-	-
iii) Interest remaining unpaid, out of above, as at the end of the year	-	-
iv) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Act.	-	-

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

- Note 38: The Company has suffered substantial losses and due to this, the entire net worth has been eroded. However, operations are Continued and the accounts of the Company have been prepared on the basis that the Company is a going concern. The Promoters are bringing funds required for working capital in order to have smooth operations.



**Note 39 :** The Board of the Directors of the Company in its Board Meeting held on 04th January, 2022, has considered and approved draft Scheme of Arrangement ("Scheme") in the nature of merger / amalgamation of , Royal Spinwell and Developers Private Limited, a group company with the Company (Royal Cushion Vinyl Products Limited) , , with effect from the Appointed Date of October 1, 2021 under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The coming into effect of the Scheme is subject to receipt of necessary statutory, regulatory and contractual approvals, permissions, consents, sanctions, exemption as may be required under applicable laws, regulations or guidelines in relation to the Scheme. Pending the coming into effect of the Scheme, these financial statements are prepared without giving effect to the provisions of the Scheme and as such, these financial statements are subject to revision / modification upon coming into effect of the Scheme.

**Note 40 :** Exceptional items in the Statement of Profit and Loss account represent written back of outstanding due of Rs. 6261.23 lacs payable to Natroyal Industries Private Limited (NIPL). NIPL, one of the group companies being a related party, had supported the Company through various means in its efforts to revive the Company from the sick company status during the time Company's reference for revival was pending before the erstwhile Board for Industrial and Financial Reconstruction (BIFR). As such, there was an aggregate amount of (INR 6261.23 lacs ) payable to NIPL consisting of INR 3390.29 lacs as advance/deposit received under a manufacturing support and supply agreement and INR 2870.94 lacs as trade payables towards purchases of goods, pertaining to the period prior to the filing of fully tied-up draft rehabilitation scheme (DRS) with BIFR in the year 2013 ('DRS Cut-off Date'). Since then, the said amount payable to NIPL has remained outstanding, and the Company has been endeavouring to keep the ledger account of NIPL regular in respect of transactions undertaken post the DRS Cut-off Date, though as on date, there has been a substantial outstanding amount for the same as well. NIPL has already written off the said amount of INR 6261.23 lacs recoverable from the Company in its books of account and currently, NIPL has not been pursuing any active recovery efforts or measures knowing the state of affairs of the Company. At the same time, the Company has been contemplating and initiating various efforts including monetisation of surplus assets , to strengthen its financial position and operations, however various adverse circumstances including the onset of Covid-19 pandemic and prevalent weak domestic and global environment due to multitude of factors, are causing several limitations to the effective revival measures. Therefore, the management doesn't foresee that the Company will be in position to pay this outstanding amount of INR 6261.23 lacs Crores payable to NIPL pertaining to the period prior to the DRS Cut-off Date and has accordingly, decided to write-back the said payable amount.

**Note 41 :**

Key Financial Ratios			March	March	Variation	Reason for variation for >25%
	Numerator	Denominator	31,2022	31,2021		
Current ratio	Current Assets	Current Liabilities	0.34	0.25	37.54%	Due to reduction in Creditors
Debt equity ratio	Total Debt	Shareholder's equity	-1.09	-1.08	0.67%	
Debt Service Coverage r	Earning available for debt service	Debt service	-2.13	-1.35	-57.36%	Due to reduction in operational performances
Return on Equity Ratio	Net Profit after Taxes but before exceptional items	Average Shareholder's equity	-0.04	-0.02	-61.38%	Due to reduction in operational performances
Inventory turnover ratio	Revenue from operations	Average Inventory	6.29	5.05	24.51%	
Trade receivable turnover ratio	Revenue from operations	Average Trade receivables	22.05	28.25	-21.94%	
Trade payable ratio	Net Purchases	Average Trade Payable	0.88	0.66	33.34%	Due to reduction in Creditors
Net Capital Turnover ratio	Revenue from operations	Working Capital	-1.22	-0.81	-50.24%	Reduction in WC
Net profit ratio	Net Profit after Taxes but before exceptional items	Revenue from operations	-22.83%	-16.92%	-34.91%	Due to reduction in operational performances
Return on Capital employed	Earning before interest and taxes and exceptional items	Capital employed	-36.37%	-18.95%	-91.95%	Due to reduction in operational performances
Return on investment	Interest income	Term deposit and investment	3.87%	5.08%	-23.76%	

**Note 42 : Income Tax Expenses**

Due to substantial brought forward losses, there would not be taxable income in the near future. The deferred tax assets is recognised only to the extent of deferred tax liability.

**Note 43 :** Sundry Debtors & Creditors (Including foreign suppliers) are subject to confirmation.

**Note 44 :** The Directors / employees of the Company have acquired motor cars in their names from and out of the loans obtained by them from the banks, pursuant to an arrangement between the Directors / employees for use of the Company. Accordingly, the Company has accounted the said cars & the said loans in the name of the Directors / employees, as the assets & the liabilities of the Company, including the transactions in respect of repayment and payment of interest and principal etc.

**Note 45 :** During the year Company has reviewed utilisation/productivity of various assets. The company found that some Plant & Machineries are no more needed , hence to be disposed for raising funds required for working capital. Profit on sales of Fixed assets was ₹. 26.82 lacs

**Note 46 :** CIF Value of Import

	2021-22 Amount in ₹	2020-21 Amount in ₹
Raw Materials	496.87	-
Stores & Spares	20.95	26.32
	<b>517.81</b>	<b>26.32</b>

**Note 47 :** Expenditure in foreign currency  
(on accrual basis)

	2021-22 Amount in ₹	2020-21 Amount in ₹
Stores & Spares	18.56	23.38
Foreign Travel	-	-

**Note 48 :** Other regulatory information

- a The Company do not have any Benami property and no proceedings have been initiated or pending against the Company and its Indian subsidiaries for holding any Benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- b The Company do not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- c
- d The Company does not have any charge which is yet to be registered / satisfied with ROC beyond the statutory period.
- e The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- f The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- g The Company has not traded or invested in Crypto currency or Virtual Currency during the current or previous year.
- h The Company has not been declared as a 'Wilful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- i The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

**Note 49 :** The figures of previous year have been regrouped / reclassified / recast wherever necessary to compare with the current year's figures. Figures in brackets in the schedules and Notes pertain to previous year.

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 : 30/05/2022



For and on behalf of Board of Directors

**MAHESH K. SHAH**  
Chairman & Managing Director  
DIN:00054351

**DEEPTI PAREKH**  
Company Secretary  
ACS60978  
Place : MUMBAI  
Date : 30/05/2022

**JAYESH A MOTASHA**  
Director  
DIN:00054236

**VIVEK D MOTASHA**  
Chief Financial officer