



# ANNUAL REPORT **2015-16**

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**ROYAL CUSHION VINYL PRODUCTS LIMITED**

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**ROYAL CUSHION VINYL PRODUCTS LIMITED**

(CIN No. - L24110MH1983PLC031395)

www.rcvp.in

**BOARD OF DIRECTORS**

Mr. Mahesh K Shah  
Mr. Vinod K Shah  
Mr. Arvind V Motasha  
Mr. Deepak A Motasha  
Mr. Mukesh A Motasha  
Mr. Jayesh A Motasha  
Ms. Kavita Bachwani

Chairman & Managing Director  
Whole time Director  
Director  
Director  
Director  
Director and Chief Financial Officer  
Director

**AUDITORS**

**M/S. CHANDRAKANT & SEVANTILAL  
& J. K. SHAH & CO.**

Chartered Accountants  
301, Lalita Tower, Near Hotel Rajpath  
Station Akota Road, Vadodara – 390 007

**REGISTERED OFFICE**

60 CD, Shlok Govt. Indus. Estate  
Charkop, Kandivali (West),  
Mumbai – 400 067  
Tel: 022 32655828, 022 28603514  
Fax No.: 022 28603565

**FINANCIAL INSTITUTION / BANKS**

Axis Bank Ltd  
SICOM

**REGISTRAR & TRANSFER AGENTS**

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

**WORKS**

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

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### NOTICE

NOTICE is hereby given that the **32<sup>nd</sup> ANNUAL GENERAL MEETING** of the Members of **ROYAL CUSHION VINYL PRODUCTS LIMITED** will be held on **Friday, the 30<sup>th</sup> September, 2016 at 12.30 p.m.** at the Conference Room, 2<sup>nd</sup> Floor, 60 CD "SHLOK" Govt. Industrial Estate, Charkop, Kandivali (West), Mumbai 400 067, for the purpose of transacting the following business:-

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited financial statements of the Company for the year ended March 31, 2016 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Deepak A. Motasha (DIN – 00060092) who retires by rotation and being eligible, offers himself for re- appointment.
3. To appoint a Director in place of Ms. Kavita Bachwani (DIN - 07239417) who retires by rotation and being eligible, offers herself for re- appointment.
4. To consider and if thought fit to pass, with or without modifications, the following as Ordinary Resolution:  
**"RESOLVED THAT,** pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the Annual General Meeting held on 30th September, 2015, the appointment of **M/s. Chandrakant & Sevantilal & J. K. Shah & Co, Chartered Accountants, Vadodara (Firm Registration no. 101676W)** as the Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017 be and is hereby ratified and the Board of Directors be and are hereby authorised to fix such remuneration payable to them for the financial year ending 31<sup>st</sup> March, 2017 as may be determined by the Board of Directors in consultation with Audit Committee."

#### SPECIAL BUSINESS:

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

**"RESOLVED THAT** pursuant to Clause 23 of listing agreement and provisions of section 188 of the Companies Act, 2013 (as amended or re-enacted from time to time) read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules 2014, the consent of Company be and is hereby accorded for entering into related party transactions by the Company with Natroyal Industries Private Limited effect from 1<sup>st</sup> April, 2016 for the amounts as appended below:

| MAXIMUM VALUE OF CONTRACT / TRANSACTION (PER ANNUM) WEF 01/04/2016   |   |
|--|---|
|  | Transactions defined under section 188(1) of the Companies Act, 2013<br>(₹ in lacs)   |
|  | <b>Availing or rendering of any services; Appointment of any agent, purchase or sale of goods, materials, services or property leasing.</b> |
| NAME and NATURE of RELATIONSHIP with RELATED PARTIES   |   |
| Natroyal Industries Private Limited – In which Directors of the Royal Cushion Vinyl Products Limited are Members as per section 2(76)(iv) of the Companies Act, 2013.(i.e. a private company in which a Director or Manager is a member or Director) | 10,000.00   |

## Annual Report 2015-2016

| Name of the Director (who are the members in Natroyal Industries Private Limited) | No. of Shares | Percentage (%) of holding |
|---|---------------|---------------------------|
| Mahesh K. Shah  | 12042         | 1.88                      |
| Vinod K. Shah   | 15491         | 2.42                      |
| Jayesh A. Motasha   | 338           | 0.05                      |
| Mukesh A. Motasha   | 341           | 0.05                      |
| Deepak A. Motasha   | 341           | 0.05                      |
| Arvind V. Motasha   | 300           | 0.05                      |

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

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, and 203 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 ( hereinafter referred to as the “Act”) read with Schedule V of the new Companies Act, 2013 the Company hereby approves the re-appointment of Mr. Mahesh K. Shah (DIN- 00054351) as Managing Director of the Company for a period of 3 (three) years commencing from 1<sup>st</sup> April, 2017 upon the terms and conditions and the Remuneration, perquisites to be paid or granted to him in the manner and limit as set out in the Explanatory Statement.

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

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 of the new Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 read with Schedule V of the new Companies Act, 2013, the Company hereby approves the re-appointment of Mr. Vinod K. Shah (DIN- 00054667) as Whole time Director of the Company for a period of 3 (three) years commencing from 1<sup>st</sup> April, 2017 upon the terms and conditions and the Remuneration, perquisites to be paid or granted to him in the manner & limit as set out in the Explanatory Statement.

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

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

Sd/-  
**Mahesh K. Shah**  
Managing Director  
00054351

Date: - 10<sup>th</sup> August, 2016  
Place:-Mumbai

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

### Notes :

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND & VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
- c. An Explanatory Statement under Section 102 of Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
- d. The Register of Members and Share Transfer books of the Company will remain closed from **Saturday, 24<sup>th</sup> September, 2016 to Friday, 30<sup>th</sup> September, 2016** (both days inclusive) for the purpose of Annual Book Closure.
- e. Members/proxies should bring the attendance slips duly filled in for attending the meeting.
- f. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the Meeting.
- g. Members desiring any information on the Accounts are requested to write to the Company at least one week before the Meeting so as to enable the management to keep the information ready at the Meeting.
- h. Members are requested to notify any change in their address to the Company's registrar and share transfer agents at **M/s. Universal Capital Securities Private Limited** (formerly known as Mondkar Computers Private Limited), Unit: Royal Cushion Vinyl Products Limited., **21, Shakhil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 101. Tel No. 022 28257641, 022 28207203.**
- i. **PARTICULARS REQUIRED FOR APPOINTMENT / RE-APPOINTMENT OF DIRECTORS PURSUANT TO REGULATION 36 (3) OF THE SEBI, LODR**

At the ensuing Annual General Meeting Mr. Deepak A. Motasha and Ms. Kavita Bachwani, are liable to retire by rotation and being eligible offer themselves for re-appointment. The brief profile of the aforesaid Directors being appointed/re-appointed are given below:

**1. Mr. Deepak A. Motasha (DIN No. – 00060092)**

Mr. Deepak Motasha (63 years) is a B.Com. Graduate from Bombay University. He has vast and varied experience in all functions of the Company including production, sales and marketing.

He is not holding any directorship in any other company.

He is the Chairman in Audit Committee and member in Remuneration Committee and Shareholders and Investor's Grievances Committee of the Company. He is a Director since 21/11/1983.

He is presently holding 26,701 Equity Shares of ₹10/- each of the Company (including shares held jointly).

**2. Ms. Kavita Bachwani (DIN No. – 07239417)**

Ms. Kavita Bachwani (52 years) is a Bcom from Bombay University. She has vast and varied experience in Commercial and Finance Functions.

She is not holding any directorship in any other Company.

She is presently holding NIL Equity Shares of the Company. She is not holding any membership in any Committee.

### j. VOTING THROUGH ELECTRONIC MEANS (E-VOTING):

1. In accordance with Clause 35B of Listing Agreement and Section 108 of the Companies Act, 2013, read with Rule 20 of Companies (Management and Administration) Rules, 2014 (the Rules), the Company is pleased to provide facility to its members, to cast their vote electronically for all the resolutions proposed at the 32nd Annual General Meeting of the Company. The Company has appointed Central Depository Services (India) Ltd. (CDSL) to provide remote e-voting facility to its members.
2. The voting right of shareholders shall be in proportion to one vote per fully paid equity share of the Company held by them as on the cutoff date September 23, 2016.
3. The voting period begins on Tuesday the 27<sup>th</sup> day of September, 2016 at 9.00 a.m. and will end on Thursday, the 29th day of September, 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date being September 23, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by any Member, he/she shall not be allowed to change it subsequently.
4. Mr. Gaurang Shah, of M/s. GMS and Co. Practicing Company Secretaries (Membership No:32581; COP No:11953) has been appointed by the Board of Directors of the Company, as the Scrutinizer to scrutinize the remote e-voting process and voting cast by member through poll at Annual General Meeting in a fair and transparent manner.
5. A Members may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
6. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
7. The instructions for shareholders voting electronically are as under:
  - (i) The voting period begins on 27<sup>th</sup> September, 2016, 9:00 a.m. and ends on 29<sup>th</sup> September, 2016, 5:00 p.m (both days inclusive). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) being 23<sup>rd</sup> September, 2016 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iii) Click on Shareholders-Login
  - (iv) Now Enter your User ID and password.
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (vii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form or Physical Form |  |
|---|--|
| PAN   | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number which is mentioned in address label as sr no affixed on Annual Report, in the PAN field.</li> </ul> |

|   | For Members holding shares in Demat Form or Physical Form  |
|---|--|
|   | <ul style="list-style-type: none"> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>                    |
| <b>DIVIDEND BANK DETAILS OR DATE OF BIRTH (DOB)</b> | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number (EVSN) for the relevant **Royal Cushion Vinyl Products Limited** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.



- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and remote e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xxi) In case of members receiving the physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy]:
- a) Please follow all steps from sl. no. [i] to sl. no. [xx] above, to cast vote.
  - b) Mr. Gaurang Shah, of M/s. GMS and Co. Practicing Company Secretaries (Membership No. 32581, COP No. 11953) has been appointed by the Board of Directors of the Company, as the Scrutinizer to scrutinize the remote e-voting process and voting cast by member through poll at Annual General Meeting in a fair and transparent manner.
  - c) Members who do not have access to remote e-voting facility may send duly completed Ballot Form (sent along with the Notice) so as to reach the Scrutinizer appointed by the Board of Director of the Company, Mr. Gaurang Shah, of M/s. GMS and Co. Practicing Company Secretaries, C/o. Universal Capital Securities Pvt. Ltd. Unit: Royal Cushion Vinyl Products Limited, 21, Shakil Niwas, Mahakali Caves Road, Andheri [East], Mumbai – 400 093, not later than Thursday, September 29, 2016 (5.00 p.m.).
- Members have the option to request for hard copy of the Ballot Form by sending an e- mail to [legalho83@gmail.com](mailto:legalho83@gmail.com) by mentioning their Folio/DP ID/and Client ID No. However, the duly completed Ballot Form should reach the Scrutinizer Mr. Gaurang Shah, of M/s. GMS and Co. Practicing Company Secretaries (Membership No. 32581, COP No. 11953) appointed by the Board of Directors of the Company not later than Thursday, September 29, 2016 (5.00 p.m.) Ballot form received after this date will be treated as invalid. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- A Member can opt for only one mode of voting i.e. either through remote e-voting or by Ballot. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot shall be treated as invalid.
- (xxii) The results of remote e-voting shall be declared by the Chairman on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.rcvp.in](http://www.rcvp.in) within three (3) days of passing of the resolution at the AGM of the Company and communicated to the stock exchanges.



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

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

### Item No. 5:

The provisions of Regulation 23 of listing agreement and Section 188 of the Companies Act, 2013 provide for certain related party transactions to be approved by the shareholders at the general meeting:

In the light of provisions of the Regulation 23 and section 188 of the 2013 Act, the proposed transactions along with annual limits upto which the Company may enter into such transactions with its related parties (as defined under 2013 Act) for the financial year 2016-2017 is being placed for the approval of the members.

All required disclosures are given here in below in a tabular format for kind perusal of the members.

| MAXIMUM VALUE OF CONTRACT / TRANSACTION (PER ANNUM) WEF 01/04/2016   |   |
|--|---|
|  | Transactions defined under section 188(1) of the Companies Act, 2013<br>(₹ in lacs)   |
|  | <b>Availing or rendering of any services; Appointment of any agent, purchase or sale of goods, materials, services or property leasing.</b> |
| NAME and NATURE of RELATIONSHIP with RELATED PARTIES   |   |
| Natroyal Industries Private Limited – In which Directors of the Royal Cushion Vinyl Products Limited are Members as per section 2(76)(iv) of the Companies Act, 2013.(i.e. a private company in which a Director or Manager is a member or Director) | 10,000.00   |

\*\* Name of the related party: Natroyal Industries Private Limited

- Name of the director or Key Management Personnel who is related, if any: Mr. Mahesh K. Shah, and Mr. Mukesh A. Motasha.
- Nature of Relationship: Natroyal Industries Private Limited in which the Directors of Royal Cushion Vinyl Products Limited are the members.

| Name of the Director (who are the members in Natroyal Industries Private Limited) | No. of Shares | Percentage (%) of holding |
|---|---------------|---------------------------|
| Vinod K. Shah   | 15491         | 2.42                      |

- Nature, material terms, monetary value and particulars of the contract or arrangement:
  - The Company is taking your approval for availing, purchase and sale of goods, materials, rendering services and leasing property up to ₹ 100 Crores per annum on an arm length basis w.e.f. 1<sup>st</sup> April, 2016.
  - Any other information relevant or important for the members to take a decision on the proposed resolution: NIL

Members are hereby informed that pursuant to the provisions of clause 23 and section 188 of the 2013 Act, no member of the company shall vote on such special resolution to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

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

All the Directors and Key Managerial Personnel are interested in the resolution set out at Item No. 5 of the Notice.

The relatives of Directors and Key Managerial Personnel may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

### Item No. 6:

The Board of Directors of your Company has reappointed Mr. Mahesh K. Shah as the Managing Director for a period of 3 years with effect from 01<sup>st</sup> April, 2017, subject to the approval of Members of the Company at the 32<sup>nd</sup> Annual General Meeting, and subject to all other applicable approvals.

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He is a rank holder in M.Sc (Organics) from Mumbai University. He was also past President of PLASTINDIA FOUNDATION and APEX BODY of Plastic Association of India. He is also Managing Committee Member for the last 20 years of PLASTINDIA FOUNDATION and Ex- Chairman of PLEXCOUNCIL (PLASTIC EXPORT PROMOTION COUNCIL).

Your Company is in the process of reappointing Mr. Mahesh K. Shah to act as a Managing Director of the Company under section 196, 197 and 203 of the Companies Act, 2013.

The Nomination & Remuneration Committee at their meeting held on 05th August, 2016 and Board of Directors of the Company in their meeting held on 10th August, 2016 had approved (subject to the approvals of the Members of the said Company) the following terms and conditions or remuneration payable to Mr. Mahesh K. Shah for a period of 3 years w.e.f. April 01, 2017.

Mr. Mahesh K. Shah be appointed as Managing Director of the Company with effect from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2020.

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

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

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

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

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

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

### Item No. 6:

The Board of Directors of your Company has reappointed Mr. Vinod K. Shah as the Whole Time Director for a period of 3 years with effect from 01<sup>st</sup> April, 2017, subject to the approval of Members of the Company at the 32<sup>nd</sup> Annual General

Meeting, and subject to all other applicable approvals.

Mr. Vinod K. Shah is B.E (Electrical) having experience of 27 years and In- Charge of Operation/ production of the Company. With his expertise knowledge, our Company has installed Vinyl Flooring Plant. He is also responsible for Plant, Administration including supervision, production and control the plant situated at Plot No.55, Village Garadia, Taluka Savli, Dist. Baroda, Gujarat 391520.

Your Company is in the process of reappointing Mr. Vinod K. Shah to act as a Whole Time Director of the Company under section 196, 197 and 203 of the Companies Act, 2013.

The Nomination & Remuneration Committee at their meeting held on 05th August, 2016 and Board of Directors of the Company in their meeting held on 10th August, 2016 had approved (subject to the approvals of the Members of the said Company) the following terms and conditions or remuneration payable to Mr. Vinod K. Shah for a period of 3 years w.e.f. April 01, 2017.

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

Mr. Vinod K. Shah be appointed as Whole Time Director of the Company with effect from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2020.

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

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

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

The Board recommends the resolution for your approval.

Mr. Vinod K. Shah is interested in the resolution set out respectively at Item No. 7 of the Notice, which pertain to his respective re-appointment and remuneration payable to him.

The relatives of Mr. Vinod K. Shah may be deemed to be interested in the resolution set out respectively at Item No. 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

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

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

### I. GENERAL INFORMATION

#### 1. Nature of industry:

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

#### 2. Date of commencement of commercial production:

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

#### 3. Financial performance based on given indicators:

| Particulars  | 2015-16         | 2014-15         |
|--|-----------------|-----------------|
| Profit (Loss) after Tax                                | (64,090,833)    | (152,465,295)   |
| Net Worth (including balance in Profit & Loss Account) | (4,869,841,408) | (4,805,750,575) |
| Earnings Per Share                                     | (5.31)          | (12.63)         |
| Turnover   | 749,310,461     | 756,490,024     |

#### 4. Foreign investments or collaboration, if any: NIL

### II. INFORMATION ABOUT THE APPOINTEE

#### 1. Background details:

Mr. Mahesh Shah is a rank holder in M.Sc (Organics) from Mumbai University. He was also past President of PLASTINDIA FOUNDATION and APEX BODY of Plastic Association of India. He is also Managing Committee Member for the last 20 years of PLASTINDIA FOUNDATION and Ex- Chairman of PLEXCOUNCIL (PLASTIC EXPORT PROMOTION COUNCIL).

Mr. Vinod K. Shah is B.E (Electrical) having experience of 27 years and In- Charge of Operation/ production of the Company. With his expertise knowledge, our Company has installed Vinyl Flooring Plant. He is also responsible for Plant, Administration including supervision, production and control the plant situated at Plot No.55, Village Garadia, Taluka Savli, Dist. Baroda, Gujarat 391520.

#### 2. Past remuneration:

The past remuneration approved by shareholders in the Annual General Meeting dated 30th September 2015 was ₹ 15,00,000/-, However the actual remuneration drawn by Mr. Mahesh K. Shah for the year 2015-16, was ₹ 7,44,477/- including the perquisites.

The past remuneration approved by shareholders in the Annual General Meeting dated 30th September 2015 was ₹ 15,00,000/-, However the actual remuneration drawn by Mr. Vinod K. Shah for the year 2015-16, was ₹ 6,96,690/- including the perquisites.

#### 3. Job Profile and his suitability:

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

#### 4. Remuneration Proposed:

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

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

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

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

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

### III. OTHER INFORMATION

**1. Reasons of loss or inadequate profits:**

Since the Company is BIFR, it is not getting any Banking Facilities and hence not able to optimise its capacity utilization, so the Company is incurring Losses.

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

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

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

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

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

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

### IV. Disclosures:

The disclosures as required on all elements of remuneration package such as salary, benefits, bonuses, pensions, details of fixed components and performance linked incentives along with performance criteria, service contract details, notice period, severance fees, etc. have been made in the Directors' Report under the heading "Corporate Governance" attached to in this Annual Report.

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

Sd/-  
**Mahesh K. Shah**  
Managing Director  
00054351

Date: - 10<sup>th</sup> August, 2016  
Place:-Mumbai

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

## DIRECTORS' REPORT

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

Your Directors have pleasure in presenting the 32<sup>nd</sup> Annual Report together with Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2016.

### 1) Financial Results

| Particulars   | (₹ In Lakhs)                     |                                   |
|---|----------------------------------|-----------------------------------|
|   | Current year ended<br>31.03.2016 | Previous year ended<br>31.03.2015 |
| Revenue from operations (Net)                           | 7475.34                          | 7468.94                           |
| Other Income  | 17.76                            | 95.96                             |
| <b>Total Income</b>                                     | <b>7493.10</b>                   | <b>7564.90</b>                    |
| Total Expenditure                                       | 7577.50                          | 8525.37                           |
| <b>Profit / (loss) before interest and depreciation</b> | <b>(84.40)</b>                   | <b>(960.47)</b>                   |
| Finance Cost  | 417.04                           | 252.87                            |
| Depreciation  | 138.31                           | 206.43                            |
| Prior year's expenses                                   | 1.16                             | 119.37                            |
| <b>Profit/(Loss) before Exceptional item</b>            | <b>(640.91)</b>                  | <b>(1539.14)</b>                  |
| Exceptional item  | Nil                              | Nil                               |
| <b>Profit/(Loss) for the year</b>                       | <b>(640.91)</b>                  | <b>(1539.14)</b>                  |

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

The Company has achieved turnover of ₹ 7475.34 Lakhs as against ₹ 7468.94 Lakhs in the previous year. The Company incurred a Net Loss of ₹ 640.91 Lakhs as compared to previous year's Net Loss of ₹ 1539.14 Lakhs.

### 3) Dividend

In view of losses, the Board of Directors is unable to declare any dividend for the year 2015-2016.

### 4) Status With BIFR

"As reported in the earlier Annual Reports, the Company has been registered with BIFR since September, 2002. The last hearing was held on February 19, 2015 at BIFR and on May 6, 2015 at AAIFR. The AAIFR in its last hearing directed BIFR to take necessary steps to circulate Draft Rehabilitation Scheme (DRS). The BIFR has circulated DRS vide its order June 11, 2015. The last hearing was scheduled on July 04, 2016.

### 5) Management Discussion and Analysis Report

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

### 6) Fixed Deposits

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

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

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

### 8) Related Party Transactions

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

### 9) Particulars of Employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report as Annexure "A".

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are required to be provided in the Annual Report. However there were no employees who were in receipt of remuneration for which details need to be disclosed.

### 10) Directors

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

As the Company is under BIFR (Sick Company), the management was unable to attract and induct any Independent Director. Hence no statement on declaration of independence was received by the Company.

### 11) Key Managerial Personnel

The Company has Mr. Mahesh K. Shah, Managing Director and Mr. Jayesh A. Motasha, Director and Chief Financial Officer (CFO) as Key Managerial Personnel and the Company has published advertisement for appointing Company Secretary to comply with the provision of Section 203 of the Companies Act, 2013, however, the Company unable to get the right candidate for the post of Company Secretary.

### 12) Directors' Responsibility Statement

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a) that in the preparation of the Annual Accounts for the financial year ended 31<sup>st</sup> March, 2016 the applicable accounting standards/practices had been followed along with proper explanation relating to material departures;
- b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;



- d) The annual financial statements have been prepared on a going concern basis.
- e) that the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

**14) Material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2016 and August 10, 2016 (date of the Report).**

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (March 31, 2016) and the date of the Report (August 10, 2016).

**15) Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.**

The Company is registered under BIFR and apart from that there are no other material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**16) Details of Subsidiaries/Joint venture/Associate Company;**

The Company has no subsidiaries/Joint venture/Associate Company incorporated or ceased in the year 2015-16.

**17) Internal financial control**

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

**18) Auditors' Remarks & Appointment**

As regards the remarks & Qualifications in the Auditor's Report, please refer to the Notes forming Part of the Accounts which are self-explanatory.

At the Annual General Meeting held on 30th September, 2014, **M/s. Chandrakant & Sevantilal & J. K. Shah & Co., Chartered Accountants, Vadodara (Firm Registration no. 101676W)**, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meetings to be held in year 2017. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of Auditors shall be placed for ratification at every Annual General Meeting.

Accordingly, the appointment of **M/s. Chandrakant & Sevantilal & J. K. Shah & Co., Chartered Accountants**, as Statutory Auditors of the Company, is placed for ratification by the shareholders. In this regards, the Company has received a letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 139 of Companies Act, 2013 and that they are not disqualified for such re-appointment within the meaning of Section 141 of Companies Act, 2013.

**19) Cost Auditors**

In terms of the Companies (Cost Records and Audit) Rules, 2014 read with the Companies (Cost Records and

Audit) Amendment Rules, 2014, the Company has maintained cost records for financial year 2015-16 in respect of its polymers products. However, in terms of the said Rules, the requirement of cost audit is not applicable to the Company for the financial year 2015-16 as the turnover of the Company from these services is below the threshold limit prescribed in the said Rules for cost audit.

### **20) Secretarial Auditor and Auditor Remarks:**

The Company has appointed Mr. Gaurang Shah, of M/s. GMS and Co. Practicing Company Secretaries (Membership no. 32581, Certificate of Practice No. 11953 ) to conduct Secretarial Audit of the Company for the financial year 2015-2016, pursuant to Section 204 of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 .

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

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

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

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

As the Company is under BIFR (Sick Company), the management was unable to attract and the induct Professional and Independent Directors to meet the requirements of Regulation 36 (3) of SEBI, LODR. This fact has been reported to the Bombay Stock Exchange from time to time.

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

The Secretarial Audit Report for the financial year 2015-2016 is annexed herewith as Annexure "C" which forms part of the Board's report.

### **21) Listing with Stock Exchange:**

The Company confirms that it has paid the Annual Listing Fees for the year 2016-2017 to BSE Limited (BSE) where the Company's Shares are listed.

### **22) Share Capital:**

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

### **23) Extract of the annual return**

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

### **24) Remuneration Policy:**

The Board of Directors has on recommendations of the Nomination & Remuneration Committee outlined policy for selection & appointment of Directors, Key Managerial Personnel & Senior Management and also to decide

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

### 25) Board of Directors Meeting:

During the financial year ended 31<sup>st</sup> March, 2016, the Company held six (06) Board Meetings and the gap between the two meetings of the Board not more than 120 days as per Companies Act, 2013. The meetings were held on 30<sup>th</sup> May, 2015, 30<sup>th</sup> June, 2015, 12<sup>th</sup> August, 2015, 14<sup>th</sup> August, 2015, 07<sup>th</sup> November, 2015 and 09<sup>th</sup> February, 2016. The details of the Board Meetings are provided in the Corporate Governance Report.

### 26) Committees of Board

Following are the various Committees formed by Board:

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

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

### 27) Vigil Mechanism

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

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

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

### 28) Risk Management Policy:

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

### 29) Prevention of Sexual Harassment at Workplace:

The Company has adopted Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the workplace, to provide protection to employees at the workplace. The Company has constituted Internal Complaints Committee as per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 to consider and redress complaints of sexual harassment. The Committee has not received any complaints of sexual harassment during the year.

### 30) Corporate Governance Certificate:

Your Company is committed to maintain the highest standards of Corporate Governance. Your Directors' adhere to the requirements set out by the Securities and Exchange Board of India, Corporate Governance practice and have implemented all the prescribed stipulations.

## Annual Report 2015-2016

Report on Corporate Governance, as stipulated under Listing Agreement and LODR Regulations, with the Stock Exchanges in India, forms part of the Annual Report Certificate from the Auditor of the Company **M/s.Chandrakant & Sevantilal & J. K. Shah & Co., Chartered Accountants** confirming compliance of conditions of Corporate Governance as stipulated under the Listing Agreement and LODR Regulations is annexed to this Report.

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

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

### 32) Familiarisation Programme for Directors

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

### 33) Acknowledgement

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

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

Place: Mumbai  
Date: 10<sup>th</sup> August, 2016

|  |   |
|--|---|
| <b>Sd/-</b><br><b>Mahesh K.Shah</b><br>Managing Director<br>(DIN 00054351) | <b>Sd/-</b><br><b>Jayesh A. Motasha</b><br>Director & CFO<br>(DIN 00054236) |
|--|---|

**Details of Ratio of Remuneration of Director**  
**[Section 197(12) read with Rule 5 of Companies**

**ANNEXURE: "A"**

**(Appointment and Remuneration of Managerial Personnel), Rules, 2014]**

|      |   |   |                            |
|------|---|---|----------------------------|
| i)   | the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;   | <b>Name of Director</b>   | <b>Ratio to the Median</b> |
|      |   | 1)Mr. Mahesh K. Shah  | 3.29                       |
|      |   | 2)Mr. Vinod K. Shah   | 3.07                       |
|      |   | 3)Ms. Kavita Bachwani   | 2.27                       |
| ii)  | the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;  | <b>Name of Director/KMP</b>   | <b>% Increase</b>          |
|      |   | Mr. Mahesh K. Shah - Managing Director  | 3.8                        |
|      |   | Mr. Vinod K. Shah - Whole Time Director   | 5.2                        |
|      |   | Ms. Kavita Bachwani - Director  | -                          |
| iii) | the percentage increase in the median remuneration of employees, in the financial year;   | 3%  |                            |
| iv)  | the number of permanent employees on the rolls of Company;  | 144 in the financial year 2015-2016   |                            |
| v)   | the explanation on the relationship between average increase in remuneration and company performance;   | The average increase in employee remuneration was 11.23%. The increase in remuneration is in line with market rate. The turnover of the Company decreased by 1% & Loss before tax decreased by 58%  |                            |
| vi)  | comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;  | The remuneration of the Key Managerial Personnel was increased by 4.50 % , sales revenue is decreased by 1% and losses are decreased by 58% in the financial year 2015-16   |                            |
| vii) | variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, | The stock price of the Company as on 31/03/2016 is ₹5.87, the last increase dated 26/12/1996 in the equity capital was by way of allotment of equity share on conversion of Fully Convertible Debentures (FCDs) at par i.e. at ₹ 10/- per equity shares. The market capitalization of the Company as on 31/03/2016 is ₹ 708 Lakhs as compare to Rs. 732 lakhs in the previous year 2014-15 and EPS as on 31/03/2016 is (5.31) as compare to (12.63) in the previous year 2014-15. |                            |

## Annual Report 2015-2016

|       |   |  |                                 |   |
|-------|---|--|---------------------------------|---|
| viii) | average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; | The Average percentage increase made in the salaries of employees is 11.23 % whereas the increase in the managerial remuneration for the same financial year was 4.50 %.   |                                 |   |
| ix)   | comparison of the each remuneration of the Key Managerial Personnel against the performance of the company  | <b>Name of KMP</b>   | <b>% of increase in Revenue</b> | <b>% of increase in the remuneration of KMP</b> |
|       |   | Mr. Mahesh K. Shah<br>- Managing Director<br>Mr. Vinod K. Shah<br>- Whole Time Director  | (1%)<br><br>(1%)                | 3.8%<br><br>5.2%                                |
| x)    | the key parameters for any variable component of remuneration availed by the directors;   | The Company doesn't provide any variable component of remuneration to its Directors.   |                                 |   |
| xi)   | the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;  | There are 10 employees who are drawing salary more than Managing Director, the total salary of these employees is ₹107.55 Lacs. The average salary of these employees is ₹10.76 Lacs. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year is 1:1.51 times. |                                 |   |
| xii)  | Affirmation that the remuneration is as per the remuneration policy of the company.   | The remuneration paid is as per the remuneration policy of the Company.  |                                 |   |

However Rule 5(2) and 5(3) of the section 197 of the Companies Act, 2013 is not applicable.

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

**1. ENERGY CONSERVATION MEASURE TAKEN:**

- By shifting some units (Palletizing, Bunbury 3, Oil heating etc.) from peak hour to Non peak hour.
- 80 TRX3 chilling compressor (45kwx3) replaced by 350 TR VAM.
- Street lighting connection transferred to 380v supply from 415v supply.

**2) TECHNOLOGY ABSORPTION: -**

R & D was specially carried out in designing & developed in products, the details are as below -

A) New Product developed in Elite range for export as well as local market.

Garden product developed in (Total 12 design & 38 colours) for local market.

B) New colours & New Design developed in various products

C) Future Plans :To develop more products for local, export market as well as industry.

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

(₹ in Lacs)

| Sr. No. | Particulars             | Current year ended on 31.03.2016 | Current year ended on 31.03.2015 |
|---------|-------------------------|----------------------------------|----------------------------------|
| 1       | Fob Value of Export     | Nil                              | Nil                              |
| 2       | Foreign exchange outgo: |                                  |                                  |
|         | Import of Raw material  | 1350.71                          | 1,560.31                         |
|         | Stores & Spares         | 19.09                            | 24.66                            |
|         | Foreign Travels         | 4.31                             | 3.33                             |



**Form No. MR-3  
SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016**

The Members,

**ROYAL CUSHION VINYL PRODUCTS LTD**

**CIN NO: L24110MH1983PLC031395**

Add: 60 CD "Shlok" Government Ind. Estate  
Charkop, Kandivli (West), Mumbai-400067

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

Based on my verification of the **ROYAL CUSHION VINYL PRODUCTS LTD.** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **ROYAL CUSHION VINYL PRODUCTS LTD.** for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

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

**(vi) The following are the other laws applicable to the Company:**

1. Factories Act, 1948
2. Industrial Disputes Act, 1947
3. The Payment of Wages Act, 1936
4. The Minimum Wages Act, 1948
5. Employees' State Insurance Act, 1948
6. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
7. The Payment of Bonus Act, 1965
8. The Payment of Gratuity Act, 1972
9. Key National law i.e.
  - Water (Prevention and Control of Pollution) Act, 1974;
  - Water (Prevention and Control of Pollution) Cess Act, 1977;
  - Air (Prevention and Control of Pollution) Act, 1981;
  - Environment (Protection) Act, 1986;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange(s).

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

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

**\*\***It is observed that as per section 149 (5) of the companies act,2013, & as per clause 49 of listing agreement, necessitated that every listed company has to mandatorily have appoint on board independent director but company has not complied till date .

**\*\*** As the Company is under BIFR (Sick Company), the management was unable to attract and the induct Professional and Independent Directors to meet the requirements of Regulation 36 (3) of the SEBI LODR. This fact has been reported to the Bombay Stock Exchange from time to time.

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

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and but not appointed any Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

## Annual Report 2015-2016

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

For GMS & CO.,  
Company Secretary in practice

Sd/-  
Gaurang Manubhai Shah  
Proprietor  
ACS No. 32581  
C.P. No. 11953.

Place: Mumbai  
Date: 30/05/2016

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

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### "Annexure a"

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

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

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

For GMS & CO.,  
Company Secretary in practice

Sd/-  
Gaurang Manubhai Shah  
Proprietor  
ACS No. 32581  
C.P. No. 11953.

**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31st March, 2016**  
**[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies**  
**(Management and Administration) Rules, 2014**

**FORM NO. MGT-9**

**I REGISTRATION AND OTHER DETAILS:**

- i) CIN: **L24110MH1983PLC031395**
- ii) Registration Date: **21st November, 1983**
- iii) Name of the Company: **Royal Cushion Vinyl Products Limited**
- iv) Category/ Sub-Category of the Company: **Public Company**
- v) Address of the Registered Office and contact details:

60CD, SHLOK, Government Ind. Estate  
Charkop, Kandivali (W), Mumbai- 400 067.  
Website:- [www.rcvp.in](http://www.rcvp.in)  
E-mail: [legalho83@gmail.com](mailto:legalho83@gmail.com)

- vi) Whether listed company: Yes, listed on BSE
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:

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

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

| Sr. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the Company |
|---------|--|----------------------------------|------------------------------------|
| 1.      | PVC Laminated Sheets                             | 39209929                         | 74.72%                             |
| 2.      | PVC Leathercloth                                 | 59031090                         | 17.93%                             |

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

The Company has no subsidiaries/Joint venture/Associate Company incorporated or ceased in the year 2015-16.

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

#### i) Category-wise Share Holding

| Category code | Category of Shareholders                                 | No. of Shares held at the beginning of the year |                |                |                   | No. of Shares held at the end of the year |                |                |                   | % Change during the year |
|---------------|--|---|----------------|----------------|-------------------|---|----------------|----------------|-------------------|--------------------------|
|               |  | Demat   | Physical       | Total          | % of Total Shares | Demat                                     | Physical       | Total          | % of Total Shares |                          |
| <b>(A)</b>    | <b>Promoters</b>   |   |                |                |                   |   |                |                |                   |                          |
| <b>1</b>      | <b>Indian</b>  |   |                |                |                   |   |                |                |                   |                          |
| (a)           | Individuals/ Hindu Undivided Family                      | 393678  | 2300           | 395978         | 3.28              | 393678                                    | 2300           | 395978         | 3.28              | -                        |
| (b)           | Central Govt(s)  | -   | -              | -              | -                 | -   | -              | -              | -                 | -                        |
| (c)           | State Govt(s)  | -   | -              | -              | -                 | -   | -              | -              | -                 | -                        |
| (d)           | Bodies Corporate   | 3271857   | 872393         | 4144250        | 34.34             | 3271857                                   | 872393         | 4144250        | 34.34             | -                        |
| (e)           | Banks / FI   | -   | -              | -              | -                 | -   | -              | -              | -                 | -                        |
| (f)           | Any Others(Specify)                                      |   |                |                |                   |   |                |                |                   |                          |
|               | (e-i)  |   |                |                |                   |   |                |                |                   |                          |
|               | (e-ii)   |   |                |                |                   |   |                |                |                   |                          |
|               | <b>Sub Total(A)(1)</b>                                   | <b>3665535</b>                                  | <b>874693</b>  | <b>4540228</b> | <b>37.62</b>      | <b>3665535</b>                            | <b>874693</b>  | <b>4540228</b> | <b>37.62</b>      | <b>-</b>                 |
| <b>2</b>      | <b>Foreign</b>   |   |                |                |                   |   |                |                |                   |                          |
| a             | NRIs - Individuals                                       | -   | -              | -              | -                 | -   | -              | -              | -                 | -                        |
| b             | Other Individuals  | -   | -              | -              | -                 | -   | -              | -              | -                 | -                        |
| c             | Bodies Corporate   | -   | 2880000        | 2880000        | 23.87             | -   | 2880000        | 2880000        | 23.87             | -                        |
| d             | Banks / FI   | -   | -              | -              | -                 | -   | -              | -              | -                 | -                        |
| e             | Any Others(Specify)                                      |   |                |                |                   |   |                |                |                   |                          |
|               | e-i  |   |                |                |                   |   |                |                |                   |                          |
|               | e-ii   |   |                |                |                   |   |                |                |                   |                          |
|               | <b>Sub Total(A)(2)</b>                                   | <b>-</b>  | <b>2880000</b> | <b>2880000</b> | <b>23.87</b>      | <b>-</b>                                  | <b>2880000</b> | <b>2880000</b> | <b>23.87</b>      | <b>-</b>                 |
|               | <b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b> | <b>3665535</b>                                  | <b>3754693</b> | <b>7420228</b> | <b>61.49</b>      | <b>3665535</b>                            | <b>3754693</b> | <b>7420228</b> | <b>61.49</b>      | <b>-</b>                 |
| <b>(B)</b>    | <b>Public shareholding</b>                               |   |                |                |                   |   |                |                |                   |                          |
| <b>1</b>      | <b>Institutions</b>                                      |   |                |                |                   |   |                |                |                   |                          |
| (a)           | Mutual Funds   | -   | 5300           | 5300           | 0.04              | -   | 5300           | 5300           | 0.04              | -                        |
| (b)           | Banks / FI   | 1271289   | 1530           | 1272819        | 10.55             | 1271289                                   | 1730           | 1273019        | 10.55             | -                        |
| (c)           | Central Govt(s)  | -   | -              | -              | -                 | -   | -              | -              | -                 | -                        |
| (d)           | State Govt(s)  | -   | -              | -              | -                 | -   | -              | -              | -                 | -                        |
| (e)           | Venture Capital Funds                                    | -   | -              | -              | -                 | -   | -              | -              | -                 | -                        |
| (f)           | Insurance Companies                                      | -   | -              | -              | -                 | -   | -              | -              | -                 | -                        |
| (g)           | FIs  | -   | -              | -              | -                 | -   | -              | -              | -                 | -                        |
| (h)           | Foreign Venture Capital Funds                            | -   | -              | -              | -                 | -   | -              | -              | -                 | -                        |
| (i)           | Any Other (specify)                                      |   |                |                |                   |   |                |                |                   |                          |
|               | (i-ii)   |   |                |                |                   |   |                |                |                   |                          |
|               | (i-ii)   |   |                |                |                   |   |                |                |                   |                          |
|               | <b>Sub-Total (B)(1)</b>                                  | <b>1271289</b>                                  | <b>6830</b>    | <b>1278119</b> | <b>10.59</b>      | <b>1271289</b>                            | <b>7030</b>    | <b>1278319</b> | <b>10.59</b>      | <b>-</b>                 |

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| Category code | Category of Shareholders   | No. of Shares held at the beginning of the year |                |                 |                   | No. of Shares held at the end of the year |                |                 |                   | % Change during the year |
|---------------|--|---|----------------|-----------------|-------------------|---|----------------|-----------------|-------------------|--------------------------|
|               |  | Demat   | Physical       | Total           | % of Total Shares | Demat                                     | Physical       | Total           | % of Total Shares |                          |
| <b>B 2</b>    | <b>Non-institutions</b>  |   |                |                 |                   |   |                |                 |                   |                          |
| <b>(a)</b>    | <b>Bodies Corporate</b>  |   |                |                 |                   |   |                |                 |                   |                          |
| (i)           | Indian   | 590782  | 19420          | 610202          | 5.06              | 550610                                    | 19220          | 569830          | 4.72              | -0.33                    |
| (ii)          | Overseas   | -   | -              | -               | -                 | -   | -              | -               | -                 | -                        |
| <b>(b)</b>    | <b>Individuals</b>   |   |                |                 |                   |   |                |                 |                   |                          |
| (i)           | Individual shareholders holding nominal share capital up to ₹ 1 lakh         | 1013312   | 320355         | 1333667         | 11.05             | 1036364                                   | 318205         | 1354569         | 11.23             | 0.17                     |
| (ii)          | Individual shareholders holding nominal share capital in excess of ₹ 1 lakh. | 1359576   | -              | 1359576         | 11.27             | 1374306                                   | -              | 1374306         | 11.39             | 0.12                     |
| <b>(c)</b>    | <b>Others (specify)</b>  |   |                |                 |                   |   |                |                 |                   |                          |
| (i)           | Clearing Members   | 19120   | -              | 19120           | 0.16              | 23360                                     | -              | 23360           | 0.19              | 0.04                     |
| (ii)          | Trusts   |   |                | -               | -                 |   |                | -               | -                 | -                        |
| (iii)         | NRI / OCBs   | 1450  | 44850          | 46300           | 0.38              | 1750                                      | 44850          | 46600           | 0.39              | -                        |
| (iv)          | Foreign Nationals  | -   | -              | -               | -                 | -   | -              | -               | -                 | -                        |
| (v)           | Foreign Corporate Body   | -   | -              | -               | -                 | -   | -              | -               | -                 | -                        |
|               | <b>Sub-Total (B)(2)</b>  | <b>2984240</b>                                  | <b>384625</b>  | <b>3368865</b>  | <b>27.92</b>      | <b>2986390</b>                            | <b>382275</b>  | <b>3368665</b>  | <b>27.92</b>      | <b>-</b>                 |
| <b>(B)</b>    | <b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>                          | <b>4255529</b>                                  | <b>391455</b>  | <b>4646984</b>  | <b>38.51</b>      | <b>4257679</b>                            | <b>389305</b>  | <b>4646984</b>  | <b>38.51</b>      | <b>-</b>                 |
|               | <b>TOTAL (A)+(B)</b>   | <b>7921064</b>                                  | <b>4146148</b> | <b>12067212</b> | <b>100.00</b>     | <b>7923214</b>                            | <b>4143998</b> | <b>12067212</b> | <b>100.00</b>     | <b>-</b>                 |
| <b>(C)</b>    | <b>Shares held by Custodians for GDRs &amp; ADRs</b>                         |   |                |                 |                   |   |                |                 |                   |                          |
|               |  | -   | -              | -               | -                 | -   | -              | -               | -                 | -                        |
|               | <b>GRAND TOTAL (A)+(B)+(C)</b>   | <b>7921064</b>                                  | <b>4146148</b> | <b>12067212</b> | <b>100.00</b>     | <b>7923214</b>                            | <b>4143998</b> | <b>12067212</b> | <b>100.00</b>     | <b>-</b>                 |

### ii. Shareholding of Promoters

| Sr. No. | Shareholder's Name     | Shareholding at the beginning of the year 31 <sup>st</sup> March 2015 |                                  |  | Shareholding at the end of the year 31 <sup>st</sup> March 2016 |                                  |  | % change in shareholding during the year |
|---------|------------------------|---|----------------------------------|--|---|----------------------------------|--|--|
|         |                        | No. of Shares   | % of total Shares of the Company | % of Shares Pledged / encumbered to total Shares | No. of Shares   | % of total Shares of the Company | % of Shares Pledged / encumbered to total Shares |  |
| 1       | ARVIND VADILAL MOTASHA | 16903   | 0.14                             | 0.00   | 16903   | 0.14                             | 0.00   | 0.00                                     |
| 2       | DEEPAK MOTASHA         | 26701   | 0.22                             | 0.00   | 26701   | 0.22                             | 0.00   | 0.00                                     |
| 3       | JAYESH A MOTASHA       | 26800   | 0.22                             | 0.00   | 26800   | 0.22                             | 0.00   | 0.00                                     |
| 4       | MAHESH KANTILAL SHAH   | 39150   | 0.32                             | 0.00   | 39150   | 0.32                             | 0.00   | 0.00                                     |
| 5       | MUKESH AMRUTAL MOTASHA | 25701   | 0.21                             | 0.00   | 25701   | 0.21                             | 0.00   | 0.00                                     |
| 6       | VINOD KANTILAL SHAH    | 41400   | 0.34                             | 0.00   | 41400   | 0.34                             | 0.00   | 0.00                                     |
|         | <b>Total</b>           | <b>176655</b>   | <b>1.46</b>                      | <b>43.47</b>                                     | <b>176655</b>   | <b>1.46</b>                      | <b>43.47</b>                                     | <b>0.00</b>                              |

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

| Sr. No. | Name of the Promoter  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|---|---|----------------------------------|---|----------------------------------|
|         |   | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
|         | At the beginning of the year  | No Change during the year                 |                                  |   |                                  |
|         | Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc) | No Change during the year                 |                                  |   |                                  |
|         | At the End of the year  | No Change during the year                 |                                  |   |                                  |

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

| Sr. No. | For each of the Top Ten Shareholders | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|--------------------------------------|---|----------------------------------|---|----------------------------------|
|         |                                      | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
| 1       | SICOM LTD                            | 557100                                    | 4.62                             | 557100                                  | 4.62                             |
| 2       | IDBI BANK LTD.                       | 296089                                    | 2.45                             | 296089                                  | 2.45                             |
| 3       | KETAN BABULAL SHAH                   | 294316                                    | 2.44                             | 294316                                  | 2.44                             |
| 4       | SUNIL SHROFF                         | 230145                                    | 1.91                             | 230145                                  | 1.91                             |
| 5       | BANK OF BARODA                       | 202500                                    | 1.68                             | 202500                                  | 1.68                             |
| 6       | DATTANI CERAMICS PVT LTD             | 160794                                    | 1.33                             | 148794                                  | 1.23                             |
| 7       | UNION BANK OF INDIA                  | 114400                                    | 0.95                             | 114400                                  | 0.95                             |
| 8       | RAJESHRI KETAN SHAH                  | 110326                                    | 0.91                             | 110326                                  | 0.91                             |
| 9       | RAI INVESTMENTS LTD                  | 107574                                    | 0.89                             | 87574                                   | 0.73                             |
| 10      | KETAN BHANUCHANDRA MEHTA             | 99650                                     | 0.83                             | 91065                                   | 0.75                             |

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

| Sr. No. | For each of the Directors and KMP   | Category          | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|---|-------------------|---|----------------------------------|---|----------------------------------|
|         |   |                   | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
| 1       | Mr. Mahesh K. Shah  | Managing Director |   |                                  |   |                                  |
|         | At the beginning of the year<br>Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc) |                   | 39150                                     | 0.32                             | 39150                                   | 0.32                             |
|         | At the End of the year  |                   | 39150                                     | 0.32                             | 39150                                   | 0.32                             |



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

| Sr. No.  | For each of the Directors and KMP   | Category            | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|----------|---|---------------------|---|----------------------------------|---|----------------------------------|
|          |   |                     | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
| <b>2</b> | <b>Mr. Vinod K. Shah</b>  | Whole Time Director |   |                                  |   |                                  |
|          | At the beginning of the year  |                     | 41400                                     | 0.34                             | 41400                                   | 0.34                             |
|          | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc) |                     | -   | -                                | -                                       | -                                |
|          | At the End of the year  |                     | 41400                                     | 0.34                             | 41400                                   | 0.34                             |
| <b>3</b> | <b>Mr. Jayesh A. Motasha</b>  | Director & CFO      |   |                                  |   |                                  |
|          | At the beginning of the year  |                     | 26800                                     | 0.22                             | 26800                                   | 0.22                             |
|          | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc) |                     | -   | -                                | -                                       | -                                |
|          | At the End of the year  |                     | 26800                                     | 0.22                             | 26800                                   | 0.22                             |
| <b>4</b> | <b>Mr. Mukesh A. Motasha</b>  | Director            |   |                                  |   |                                  |
|          | At the beginning of the year  |                     | 25701                                     | 0.21                             | 25701                                   | 0.21                             |
|          | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc) |                     | -   | -                                | -                                       | -                                |
|          | At the End of the year  |                     | 25701                                     | 0.21                             | 25701                                   | 0.21                             |
| <b>5</b> | <b>Mr. Arvind V. Motasha</b>  | Director            |   |                                  |   |                                  |
|          | At the beginning of the year  |                     | 16903                                     | 0.14                             | 16903                                   | 0.14                             |
|          | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc) |                     | -   | -                                | -                                       | -                                |
|          | At the End of the year  |                     | 16903                                     | 0.14                             | 16903                                   | 0.14                             |
| <b>6</b> | <b>Mr. Deepak A. Motasha</b>  | Director            |   |                                  |   |                                  |
|          | At the beginning of the year  |                     | 26701                                     | 0.22                             | 26701                                   | 0.22                             |
|          | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc) |                     | -   | -                                | -                                       | -                                |
|          | At the End of the year  |                     | 26701                                     | 0.22                             | 26701                                   | 0.22                             |

## Annual Report 2015-2016

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

| Sr. No. | For each of the Directors and KMP   | Category | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|---|----------|---|----------------------------------|---|----------------------------------|
|         |   |          | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
| 7       | <b>Ms. Kavita Bachwani</b>  | Director |   |                                  |   |                                  |
|         | At the beginning of the year  |          | NIL                                       |                                  |   |                                  |
|         | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc) |          | -   | -                                | -                                       | -                                |
|         | At the End of the year  |          | NIL                                       |                                  |   |                                  |

### V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but bit due for payment

|   | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year |                                  |                 |          |                    |
| i) Principal Amount                                 | 7,877.99                         | 8,964.72        | -        | 16,842.71          |
| ii) Interest due but not paid                       | 18,108.88                        | 1,992.71        | -        | 20,101.59          |
| iii) Interest accrued but not due                   | -                                | -               | -        | -                  |
| Total (i+ii+iii)                                    | 25,986.87                        | 10,957.43       | -        | 36,944.30          |
| Change in Indebtedness during the financial year    |                                  |                 |          |                    |
| • Addition  | 16.78                            | 1591.09         | -        | 1607.87            |
| • Reduction   | -                                | 857.80          | -        | 857.80             |
| Net Change  | 16.78                            | 733.29          | -        | 750.07             |
| Indebtedness at the end of the financial year       |                                  |                 |          |                    |
| i) Principal Amount                                 | 7,877.99                         | 9,698.01        | -        | 17,576.00          |
| ii) Interest due but not paid                       | 18,108.88                        | 1,992.71        | -        | 20,101.59          |
| iii) Interest accrued but not due                   | 16.78                            | -               | -        | 16.78              |
| Total ( i+ ii+ iii)                                 | 26,003.65                        | 11,690.72       | -        | 37,694.37          |

## Annual Report 2015-2016

### VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Particulars of Remuneration  | Mr.Mahesh K. Shah<br>Managing Director   | Mr.Vinod K. Shah<br>Whole Time<br>Director | Ms. Kavita<br>Bachwani<br>Director | Mr. Jayesh<br>A. Motasha<br>(Director and CFO) |
|--|--|--|------------------------------------|--|
| Gross Salary   |  |  |                                    |  |
| (a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961 | 450000                                   | 444000                                     | 490608                             | -  |
| (b) Value of perquisites u/s. 17 (2) Income-tax Act, 1961                            | 294477                                   | 252690                                     | 3375                               | -  |
| (c) Profits in lieu of Salary under section 17 (3) Income – tax Act, 1961            | -  | -  | -                                  | -  |
| Stock Option   | -  | -  | -                                  | -  |
| Sweat Equity   | -  | -  | -                                  | -  |
| Commission   |  |  |                                    |  |
| - as % of profit   |  |  |                                    |  |
| - Others, specify  | -  | -  | -                                  | -  |
| Others, please specify   | -  | -  | -                                  | -  |
| Total (A)  | 744477                                   | 696690                                     | 493983                             | -  |
| Ceiling as per the Act   | As per Schedule V of Companies Act, 2013 |  |                                    |  |

#### B. Remuneration to other directors:

| Particulars of Remuneration                  | Name of Directors        |                         |                          | Total Amount |
|--|--------------------------|-------------------------|--------------------------|--------------|
| *Independent Directors                       | -                        | -                       | -                        | -            |
| • Fee for attending board committee meetings | -                        | -                       | -                        | -            |
| • Commission                                 | -                        | -                       | -                        | -            |
| • Others, please specify -                   | -                        | -                       | -                        | -            |
| Total (1) -                                  | -                        | -                       | -                        | -            |
| **Other Non- Executive Directors             | Mr. Mukesh<br>A. Motasha | Mr. Deepak<br>A.Motasha | Mr. Arvind<br>V. Motasha | -            |
| • Fee for attending board committee meetings | -                        | -                       | -                        | -            |
| • Commission                                 | -                        | -                       | --                       | -            |
| •Others, please specify                      | -                        | -                       | -                        | -            |
| Total (2)                                    | -                        | -                       | --                       | -            |
| Total (B) = (1+2)                            | -                        | -                       | --                       | -            |
| Total Managerial Remuneration                | -                        | -                       | --                       | -            |
| Overall Ceiling as per the Act               | -                        | -                       | --                       | -            |

\*As the Company is under BIFR (Sick Company), the management was unable to attract and the induct Professional and Independent Directors to meet the requirements of Regulation 36 (3) of the SEBI LODR.

\*\* As the Company is under BIFR (Sick Company), the management was unable to pay sitting fees to Non- Executive Directors.

## Annual Report 2015-2016

### C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

| Particulars of Remuneration  | Key Managerial Personnel                   | Total |
|--|--|-------|
|  | Mr. Jayesh A.Motasha<br>(Director and CFO) |       |
| Gross Salary   |  |       |
| (a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961 | -  | -     |
| (b) Value of perquisites u/s. 17 (2) Income-tax Act, 1961                            | -  | -     |
| (c) Profits in lieu of Salary under section 17 (3) Income – tax Act, 1961            | -  | -     |
| Stock Option   | -  | -     |
| Sweat Equity   | -  | -     |
| Commission   |  |       |
| - as % of profit   |  |       |
| - Others, specify..  | -  | -     |
| Others, please specify   | -  | -     |
| Total  | -  | -     |

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

| Type                                | Section of the Companies Act | Brief Description | Details of Property/ Punishment/ Compounding fees imposed | Authority [RD/NCLT/ COURT] | Appeal made, if any (give details) |
|-------------------------------------|------------------------------|-------------------|---|----------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |   |                            |                                    |
| Penalty                             | -                            | -                 | -   | -                          | -                                  |
| Punishment                          | -                            | -                 | -   | -                          | -                                  |
| Compounding                         | -                            | -                 | -   | -                          | -                                  |
| <b>B. DIRECTORS</b>                 |                              |                   |   |                            |                                    |
| Penalty                             | -                            | -                 | -   | -                          | -                                  |
| Punishment                          | -                            | -                 | -   | -                          | -                                  |
| Compounding                         | -                            | -                 | -   | -                          | -                                  |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |   |                            |                                    |
| Penalty                             | -                            | -                 | -   | -                          | -                                  |
| Punishment                          | -                            | -                 | -   | -                          | -                                  |
| Compounding                         | -                            | -                 | -   | -                          | -                                  |

# Annual Report 2015-2016

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENT:

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

### OPPORTUNITIES AND THREATS:

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

### SEGMENT WISE OR PRODUCT WISE PERFORMANCE:

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

### OUTLOOK:

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

### RISKS & CONCERNS:

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

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

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

The company places special emphasis on the human resources function in the organization and building strong relationship and establishing its brand in the market to attract and retain best talent. This has helped the company to great extent to build a culture adhered people, whose performances are awarded and where employees can realize his or her potentials. The total number of employees as on 31<sup>st</sup> March, 2016 stood at 144.

### CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be considered to be forward looking statements and actual results could differ materially from those expressed or implied. Important factors which could make a significant difference to the company's operations include downtrend in the Automobile sector, demand supply conditions, market prices, input components costs and availability, changes in government regulations and tax laws besides other factors such as litigation over which the company may not have any control.

## AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
Royal Cushion Vinyl Products Limited  
Mumbai

We have examined the compliance of conditions of Corporate Governance by **ROYAL CUSHION VINYL PRODUCTS LIMITED** ("the Company") for the year ended 31<sup>st</sup> March, 2016, stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchanges, except that the number of independent directors in the Board of Directors and also in the Audit Committee as Company is a BIFR.

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

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

Place: Vadodara  
Date: 10.08.2016

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

## REPORT ON CORPORATE GOVERNANCE

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

The Corporate Governance Report for the year under review from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016

### Corporate Governance

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

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

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

#### 2. Board of Directors

As on 31<sup>st</sup> March, 2016 the Board comprises four Executive Directors and three Non-Executive Directors. During the year 2015-2016 the Board met 6 times on the following dates, namely 30<sup>th</sup> May, 2015, 30<sup>th</sup> June, 2015, 12<sup>th</sup> August, 2015, 14<sup>th</sup> August, 2015, 07<sup>th</sup> November, 2015 and 09<sup>th</sup> February, 2016.

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

| Sr. No. | Name of the Director  | Category of Director              | No. of Board Meeting attended | Attended Last AGM | Other Director ships# | Sitting Fees | Commi ttee Member ship## | Commi ttee Chairman ships ## | Inter-se Relationship                           |
|---------|-----------------------|-----------------------------------|-------------------------------|-------------------|-----------------------|--------------|--------------------------|------------------------------|---|
| 1.      | Mr. Mahesh K. Shah    | Executive Director Promoter       | 6                             | Yes               | --                    | Nil          | Nil                      | Nil                          | Brother of Mr. Vinod K. Shah                    |
| 2.      | Mr.Vinod K.Shah       | Executive Director Promoter       | 6                             | Yes               | --                    | Nil          | Nil                      | Nil                          | Brother of Mr. Mahesh K. Shah                   |
| 3.      | Mr.Arvind V. Motasha  | Non-Executive Director Promoter   | 5                             | Yes               | --                    | Nil          | Nil                      | Nil                          | --  |
| 4.      | Mr. Deepak A. Motasha | Non -Executive Director Promoter  | 5                             | Yes               | --                    | Nil          | Nil                      | Nil                          | Brother of Mr. Jayesh and Mr. Mukesh A. Motasha |
| 5.      | Mr. Mukesh A. Motasha | Non-Executive Director Promoter   | 5                             | Yes               | --                    | Nil          | Nil                      | Nil                          | Brother of Mr. Jayesh and Mr. Deepak A. Motasha |
| 6.      | Mr. Jayesh A. Motasha | Executive Director Promoter & CFO | 5                             | Yes               | --                    | Nil          | Nil                      | Nil                          | Brother of Mr. Deepak and Mr. Mukesh A. Motasha |
| 7.      | Ms. Kavita Bachwani   | Executive Director                | 4                             | --                | --                    | ---          | ---                      | ---                          | ---   |

## Annual Report 2015-2016

# Does not include private companies, foreign companies and companies established under Section 8 of the Companies Act, 2013.

## Represents Audit Committee and Stakeholders Relationship Committee in public companies, excluding that of Royal Cushion Vinyl Products Limited.

**As the Company is under BIFR (Sick Company), the management was unable to attract and induct Professional and Independent Directors to meet the requirements of Regulation 36 (3) of the SEBI, LODR .**

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

### 3. Audit Committee

The Audit Committee comprises 3 Non-Executive Directors . During the year 2015-2016, the Audit Committee held Five meetings 30<sup>th</sup> May, 2015, 30<sup>th</sup> June, 2015, 12<sup>th</sup> August, 2015 (Meeting was adjourned due to Quorum), 14<sup>th</sup> August, 2015, 07<sup>th</sup> November, 2015 and 09<sup>th</sup> February, 2016. The terms of reference of the Audit Committee are stipulated under Listing agreement and LODR Regulations and Section 177 of Companies Act, 2013 includes overseeing financial reporting process reviewing with the management & financial statement.

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

| Sr. No. | Name of the Member              | Meeting Attended |
|---------|---------------------------------|------------------|
| 1.      | Mr. Deepak A. Motasha– Chairman | 5                |
| 2.      | Mr. Mukesh A. Motasha – Member  | 5                |
| 4.      | Mr. Arvind V. Motasha - Member  | 3                |

### 4. Stakeholder Relationship Committee

As per the guidelines set out in the Listing Agreements with the Bombay Stock Exchanges and to be in compliance with Section 178 of Companies Act, 2013, the Board has constituted Shareholders/Investor Grievances and Share Transfer Committee, comprising three Non- Executive Directors namely Mr. Mukesh A. Motasha, Mr. Arvind V. Motasha and Mr. Deepak A. Motasha.

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

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

The composition of the Stakeholder Relationship Committee is as follows:

- a) **Composition:** The Committee comprises 3 Non-Executive Directors of the Company. During the year it held 4 meetings 30<sup>th</sup> June, 2015, 30<sup>th</sup> September, 2015, 30<sup>th</sup> December, 2015 and 31<sup>st</sup> March, 2016.

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

## Annual Report 2015-2016

The total number of complaints received, and replied to the satisfaction of the shareholders, during the year ended 31<sup>st</sup> March, 2016 was NIL. Outstanding complaints as on 31<sup>st</sup> March, 2016 were Nil.

The Company has acted upon all valid share transfer requests received during the year 2015 - 2016. No request for transfer and dematerialisation were pending as on 31<sup>st</sup> March, 2016.

|   |     |
|---|-----|
| Number of shareholders complaints received during the year                      | NIL |
| Number of Complaints solved to the satisfaction of shareholders during the year | NIL |
| Number of pending Complaint as on 31.03.2016                                    | NIL |
| Number of Share Transfer pending for approval as at 31.03.2016                  | NIL |

### 5. Nomination and Remuneration Committee

The Nomination and Remuneration Committee consist of 3 Non-Executive Directors namely Mr. Mukesh A. Motasha, Mr. Arvind V. Motasha and Mr. Deepak A. Motasha. Broad terms of reference of Nomination and Remuneration committee included recommendation to the Board for salary/ perquisites payable to the Managing Director / Whole time Directors/ Executive Directors/ Key Managerial Personnel and other top level management.

**Composition:** The Committee comprises 3 Non-Executive Directors of the Company. During the year there was one meeting conducted i.e. 25/03/2016.

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

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

No sitting fees are paid to any of the Directors for attending Board Meetings/ Audit Committee / Stakeholder Relationship Committee and Nomination and Remuneration Committee as the Company is under BIFR (Sick).

### 6. Risk Management Policy

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

### 7. Code of Conduct

The Board of Directors has laid down a Code of Conduct for all Board Members and senior Management of the Company. The Board Members and senior Management personnel have affirmed their compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the CFO has been obtained. The same has been posted on the website [www.rcvp.in](http://www.rcvp.in).

### 8. Disclosures

#### a) General Body Meetings

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

| Year  | 2012-2013   | 2013-2014   | 2014-2015   |
|-------|---|---|---|
| Date  | 30.09.2013  | 30.09.2014  | 30.09.2015  |
| Time  | 3.30 p.m.   | 3.00 p.m.   | 12.30 p.m.  |
| Venue | Company's Registered Office at 60 CD, Shlok, Govt. Ind. Estate, Charkop, Kandivli (West), Mumbai 400 067. | Company's Registered Office at 60 CD, Shlok, Govt. Ind. Estate, Charkop, Kandivli (West), Mumbai 400 067. | Company's Registered Office at 60 CD, Shlok, Govt. Ind. Estate, Charkop, Kandivli (West), Mumbai 400 067. |



## Annual Report 2015-2016

Mr. Mahesh K. Shah, Managing Director is Compliance Officer.

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

| AGM held on | Special Resolution passed | Summary  |
|-------------|---------------------------|--|
| 30/09/2013  | No                        | --   |
| 30/09/2014  | Yes                       | a) Re-appointment of Mr. Mahesh K Shah as Managing Director.<br>b) Re- appointment of Mr. Vinod K Shah as Whole Time Director.<br>c) Approval of borrowing money upto ₹ 150 crores.<br>d) Approval of creation of charge/ security over the assets of the Company in respect of borrowings.<br>e) Approval to enter into a contract with related party.<br>f) Approval to invest/ acquire the securities upto ₹ 5 crores.  |
| 30/09/2015  | Yes                       | a) Approval to enter into a contract with related party under section 188 of the Companies Act, 2013.<br>b) Appointment of Ms. Kavita Bachwani as a Director of the Company, as she was appointed Additional Director on 30th June, 2015.<br>c) Appointment of Mr. Jayesh A Motasha as an Executive Director and Chief Financial Officer of the Company.<br>d) Adoption of new set of Articles of Association in substitution and in place of the existing Articles of Association of the Company. |

There were no resolutions passed through Postal Ballot

### b) Related Party Transactions:

The Company has not entered into any material significant transactions with its promoters, Directors or the management or relatives etc. that may have potential conflict with the interest of the Company at large during the year.

Attention of members is drawn to the disclosures of transactions with the related parties set out in Notes on Accounts – Note No. 36, forming part of Annual Report.

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

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

### c) Listing Agreement:

The Company has complied with all requirements of the Listing Agreement entered into with the Stock Exchange as well as the regulations and guidelines of SEBI except the management was unable to attract and induct Professional and Independent Directors to meet the requirements of the Listing agreement and LODR Regulations, as Company is BIFR (Sick Company). Consequently, there were no strictures or penalties imposed either by SEBI or the Stock Exchange or any statutory body/authority for non-compliance of any matter related to the capital markets **no penalties/strictures have been imposed against the Company by Stock Exchange or SEBI or any statutory authority during the last three years.**

### d) Whistle Blower Policy:

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

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

**e) Disclosures on Risk Management:**

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

**OTHER DISCLOSURES:**

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

**9. MEANS OF COMMUNICATION**

The quarterly Unaudited results i.e. 30.06.2015 and 30.09.2015 were published in Financial Express (English) & Mahanayak (Marathi) newspapers and Unaudited results i.e. 31.12.2015 and Audited yearly results i.e. 31.03.2016 were published in Mint (English) & Mahanayak (Marathi) newspapers.

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

**10. GENERAL SHAREHOLDER INFORMATION**

|           |  |   |
|-----------|--|---|
| <b>A.</b> | <b>Annual General Meeting</b>  |   |
|           | Date and Time  | 30 <sup>th</sup> September, 2016 at 12.30 p.m.  |
|           | Venue  | At Conference Room of 60 CD Shlok Government Industrial Estate, Charkop, Kandivli (West), Mumbai 400 067              |
| <b>B.</b> | <b>Financial Calendar</b>  | April 01, 2016 to March 31, 2017  |
|           | Financial Reporting for 1 <sup>st</sup> Quarter ending 30 <sup>th</sup> June, 2016 | On or before August 14, 2016  |
|           | Financial Reporting for 2 <sup>nd</sup> Quarter ending 30 <sup>th</sup> Sept, 2016 | On or before November 14, 2016  |
|           | Financial Reporting for 3rd Quarter ending 31 <sup>st</sup> Dec, 2016              | On or before the February 14, 2017  |
|           | Audited Results for the year ending March, 2017                                    | On or before May 30, 2017   |
| <b>C.</b> | <b>Date of Book closure</b>  | Beginning Saturday, 24 <sup>th</sup> September, 2016 to Friday 30 <sup>th</sup> September, 2016 (both days inclusive) |
| <b>D.</b> | <b>Dividend payment date</b>   | Not applicable  |
| <b>E.</b> | <b>Listing on Stock Exchanges</b>  | <b>Bombay Stock Exchange Ltd.</b>   |

|   |   |  |        |                            |
|---|---|--|--------|----------------------------|
| F.  | Stock Code  | Bombay Stock Exchange Ltd., Mumbai<br>Scrip Code: 526193<br>Demat ISIN No. CDSL & NSDL: INE618A01011 |        |                            |
| G.  | Market price data (High, Low Market price on Bombay Stock Exchange during each month of the financial year. |  |        |                            |
| Month   |   | Price  |        | Month                      |
|   |   | High (₹)   | Low(₹) | Total no. of Shares Traded |
| April' 2015   |   | 6.67   | 5.47   | 9,251                      |
| May' 2015   |   | 5.20   | 4.25   | 998                        |
| June' 2015  |   | 4.04   | 4.00   | 101                        |
| July' 2015  |   | 4.50   | 3.90   | 8,700                      |
| August' 2015  |   | 4.05   | 3.86   | 500                        |
| September' 2015   |   | 4.03   | 3.85   | 27                         |
| October' 2015   |   | 4.60   | 3.83   | 1,01,401                   |
| November' 2015  |   | 3.98   | 3.44   | 5,352                      |
| December' 2015  |   | 4.77   | 3.85   | 1,268                      |
| January' 2016   |   | 5.90   | 4.76   | 15,367                     |
| February' 2016  |   | 6.44   | 5.07   | 50,381                     |
| March' 2016   |   | 6.85   | 5.61   | 35,297                     |
| H.  | Address for correspondence  |  |        |                            |
| a) Registrar and Share Transfer Agent   |   |  |        |                            |
| M/s. Universal Capital Securities Private Limited<br>(Formerly Known as M/s Mondkar Computers Private Limited)<br>21, Shakil Niwas, Mahakali Caves Road, Andheri (East) Mumbai 400 093.<br>Tel No. 022- 28366620/ 28257641/28262920   |   |  |        |                            |
| b) Company's Share Department and Compliance Officer for Investor Grievance Redressal   |   |  |        |                            |
| Mr. Mahesh k Shah, Managing Director and Compliance Officer, will be available at the following Registered Office address: Royal Cushion Vinyl Products Limited.<br>60 CD "SHLOK" Government Ind. Estate, Charkop, Kandivli (West), Mumbai 400 067<br>Tel No. 022- 32655828 / 28603516, Fax No. 022- 28603565<br>Email: legalho83@gmail.com   |   |  |        |                            |
| I.  | Share Transfer System   |  |        |                            |
| M/s. Universal Capital Securities Private Limited (Formerly Known as M/s Mondkar Computers Private Limited) has been the Registrar & Transfer Agents of the Company. The share transfers which are received in physical form are processed in the cycle of 15 days and the share certificates are returned within 30 days from the date of receipt, subject to the documents being valid and complete in all respect. The power to Share Transfer has been delegated to Registrar and Transfer Agents.<br>Demat requests are processed and completed within an average period of 15 days from the date of receipt provided they are in order. |   |  |        |                            |
| J.  | Distribution of shareholding as on 31 <sup>st</sup> March, 2016   |  |        |                            |

## Annual Report 2015-2016

| Range No. of equity shares | No. of Shareholder | %             | No. of Shares     | %             |
|----------------------------|--------------------|---------------|-------------------|---------------|
| Upto 500                   | 2755               | 83.03         | 5,06,888          | 4.20          |
| 501 – 1000                 | 255                | 7.68          | 2,03,608          | 1.69          |
| 1001 – 2000                | 114                | 3.44          | 1,72,422          | 1.43          |
| 2001 – 3000                | 42                 | 1.27          | 1,03,175          | 0.85          |
| 3001 – 4000                | 24                 | 0.72          | 84,771            | 0.70          |
| 4001 – 5000                | 30                 | 0.90          | 1,41,847          | 1.17          |
| 5001 – 10000               | 33                 | 1.00          | 2,29,853          | 1.91          |
| 10001 and above            | 65                 | 1.96          | 1,06,24,648       | 88.05         |
| <b>Total</b>               | <b>3318</b>        | <b>100.00</b> | <b>120,67,212</b> | <b>100.00</b> |

### K. Shareholding Pattern as on 31<sup>st</sup> March, 2016

| Category                                | No. of Shares      | % of Shareholding |
|---|--------------------|-------------------|
| Promoters (Including Foreign Promoters) | 74,20,228          | 61.49             |
| Mutual Fund & UTI                       | 5,300              | 0.04              |
| Banks, Financial Institutions, etc.     | 12,73,019          | 10.55             |
| Private Corporate Bodies                | 5,69,830           | 4.72              |
| NRIs                                    | 2,800              | 0.02              |
| Indian Public                           | 27,96,035          | 23.18             |
| <b>Grand Total</b>                      | <b>1,20,67,212</b> | <b>100.00</b>     |

### L. Dematerialization of Shares and Liquidity

|   |
|---|
| 7,47,895 (6.19%) of Equity Shares of ₹ 10/- each held in CDSL and 71,75,319 (59.47%) of Equity shares held in NSDL have been dematerialized as on 31 <sup>st</sup> March, 2016. |
|---|

## 11. CFO Certification

As required under the Listing Agreement and Regulation 17(8)SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CFO's Certification of the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting for the financial year ended March 31, 2016, was placed before Board of Directors.

## 12. Compliance

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

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

Place: Mumbai  
Date: 10<sup>th</sup> August, 2016

Sd/-  
**Maresh K.Shah**  
Managing Director  
(DIN 00054351)

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

**INDEPENDENT AUDITORS' REPORT**

TO,  
The Members of  
**ROYAL CUSION VINYL PRODUCTS LTD**

**Report on the Financial Statements**

1. We have audited the accompanying standalone financial statements of ROYAL CUSION VINYL PRODUCTS LTD ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

2. The Management and 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 the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.
6. **(a). Basis for qualified opinion.**

As in the past in current year also the company has not received bank statement/ bank advise / balance certificate from the financial institutions / banks. Banks entries pertaining to banks and financial institutions and transactions are not reconciled. In absence of non reconciliation & non availability of such

details of information amount payable to financial institution /Banks are not ascertained /yet to be reconciled.

- (b). Under the micro , small and medium enterprises development Act, 2006 certain disclosure relating to amounts due to micro small and medium enterprises and remained unpaid principal or interest due there on, interest paid are required to be made. The company has not made such disclosure.

### **Qualified Opinion**

- 7. In our opinion and to the best of our information and according to the explanations given to us except for the effect of the matters described on the basis for qualified opinion paragraph above. the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
  - (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **8. Emphasis of Matters**

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

- a) The company has suffered substantial losses and due to this its entire net worth has been fully eroded. The company has incurred a net loss during the current and previous year (s) and, the company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters. Indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. However since operation are continued the financial statements of the company have been prepared on a going concern basis for the reasons stated in the said note.(refer note no. 28)
- b) The company has been registered with the board for industrial and financial Reconstruction (BIFR) since sept .2002

The company's scheme for reconstruction and other related matters are pending before BIFR.

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

- 9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 10. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and except for matters described in the basis for qualified opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) Except for the possible effects of the matters described in the basis for qualified opinion paragraph above, in our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) Except for the possible effects of the matter described in the basis for qualified opinion paragraph , in our opinion, the balance sheet, statement of profit and loss and cash flow statement comply with the accounting standards specified under section 133 of the act , rule 7 of the companies (Account) Rules , 2013 ;
  - (e) On the basis of written representations received from the directors as on 31 March, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, 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, referred to our separate report in "Annexure B" and
- (g) 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) Rule, 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 litigations on its financial position in its financial statement (Refer Note 25 to the financial statements);
  - (ii) The Company did not have any material foreseeable losses, in respect of long term contracts including derivative contracts.
  - (iii) There is no delay in transferring the amount, required to be transferred to the Investor Education and Protection Fund.

**For CHANDRAKANT & SEVANTILAL & J.K. SHAH & Co.**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No. 101676W

Sd/-  
**(H.B.SHAH)**  
PARTNER

Place: Vadodara

Date: 27/05/2016

Membership No. 016642

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**ANNEXURE TO INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROYAL CUSION VINYL PRODUCTS LTD,  
ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016.**

(Referred to in paragraph 9 under the heading of "Report on other legal and regulatory requirements" of our report of even date)

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

- 7) a) According to the records of the Company, the Company is generally not regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Valued Added Tax and Cess and other statutory dues with the appropriate authorities.

According to the information and explanations given to us, the undisputed statutory due which have remained outstanding as at 31<sup>st</sup> March, 2016, for a period of more than six months from the day they become payable are as under.

| NAME OF THE STATUTE | NATURE OF THE DUE | AMOUNT          |
|---------------------|-------------------|-----------------|
| Custom Act          | Custom Duty       | 76,92,34,686.00 |

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

| Sr. No. | Nature of the Status   | Nature of the due | Amount        | Period to which the amount relate | Forum where dispute is Pending     |
|---------|------------------------|-------------------|---------------|-----------------------------------|------------------------------------|
| 1.      | The Central Excise Act | Custom Duty       | 21,05,053/-   | Various year                      | Commissioner Vadodara              |
| 2.      | The FERA Act           | Penalty           | 1,00,00,000/- | 2002-03                           | Appellate Authority FERA new delhi |
| 3.      | VAT 2006               | C VAT             | 56,61,202/-   | 2011-12                           | Jt. Commissioner Vadodara          |

- 8) The Company has defaulted in repayment of dues to financial institution and Banks the Company has been registered with the board for industrial and financial reconstructions (BIFR) since Sept 2003. The loan amount is payable after the final decision of BIFR.

Total amount payable as on 31/03/16 to various Banks and Financial Institution are under as per Books of Accounts ( subject to reconciliation in absence of bank statements)

| NAME                          | AMOUNT RS.    | NAME                            | AMOUNT RS.  |
|-------------------------------|---------------|---------------------------------|-------------|
| Bank of India                 | 284,178,176   | Panchmahal Dist. CO-Op Bank Ltd | 8,200,934   |
| Exim Bank                     | 18,272,560    | Baroda City Co-op Bank Ltd      | 3,268,089   |
| Global Trust Bank             | 32,561,049    | Mandvi Co-op Bank Ltd           | 49,095      |
| IDBI                          | 1,257,545,414 | G.S.F.C                         | 11,518,041  |
| Saraswat Co-Op Bank Ltd       | 177,138,264   | Kirloskar Inv. And Finance Ltd  | 7,307,824   |
| Swaminarayan Co-p Bank Ltd    | 2,214,671     | Lloyd Finance Ltd               | 562,715     |
| Baroda Peoples Co-op Bank Ltd | 1,944,225     | BHF Bank                        | 458,664,195 |

- 9) The Company did not raise any money by way of initial public offer or further public offer ( including debt instruments) and term loans during the year. Accordingly paragraph 3(ix) of the order is not applicable.
- 10) According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- 11) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- 12) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- 13) According to the information and explanation given to us and based on our examination of the records of the Company, transaction with the related parties are in compliance with sections 177 and 188 of the Act where



applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- 14) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made preferential allotment during the year.
- 15) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered in to non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- 16) the Company is not required to be registered under section 45 –IA of the Reserve Bank of India Act 1934.

**For CHANDRAKANT & SEVANTILAL & J.K. SHAH & Co.  
CHARTERED ACCOUNTANTS**

Firm Registration No. 101676W

Sd/-

**(H.B.SHAH)**

PARTNER

Membership No. 016642

Place: Vadodara

Date: 27/05/2016

### ANNEXURE-B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **Royal Cushion Vinyl Products Ltd**, as of March 31, 2016 in conjunction with our audit of the financial statements for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness

of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 CHANDRAKANT & SEVANTILAL & J.K. SHAH & Co.**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No. 101676W

**Sd/-**  
**(H.B.SHAH)**  
PARTNER

Membership No. 016642

Place: Vadodara  
Date: 27/05/2016

## Annual Report 2015-2016

### Balance Sheet as at 31st March, 2016

(Amount in ₹)

| Particulars   | Note No. | As at 31.03.2016   | As at 31.03.2015       |
|---|----------|--------------------|------------------------|
| <b>EQUITY AND LIABILITIES</b>                                     |          |                    |                        |
| <b>Shareholders' funds</b>  |          |                    |                        |
| Share capital   | 2        | 120,672,120        | 120,672,120            |
| Reserves and surplus  | 3        | (4,990,513,528)    | (4,869,841,408)        |
| Share Application Money Pending Allotment                         | 4        | 73,915,000         | (4,926,422,695)        |
|   |          |                    | <b>(4,805,750,575)</b> |
|   |          |                    | <b>73,915,000</b>      |
| <b>Non-current liabilities</b>                                    |          |                    |                        |
| Long-term borrowings  | 5        | 2,973,833,465      | 2,900,504,504          |
| Long-term provisions  | 6        | 790,021,517        | 3,763,854,982          |
|   |          |                    | <b>787,089,184</b>     |
|   |          |                    | <b>3,687,593,688</b>   |
| <b>Current liabilities</b>  |          |                    |                        |
| Trade payables  | 7        | 775,769,783        | 791,406,007            |
| Other current liabilities   | 8        | 830,630,530        | 831,435,474            |
| Short-term provisions   | 9        | 2,234,217          | 1,608,634,530          |
|   |          |                    | <b>1,928,748</b>       |
|   |          |                    | <b>1,624,770,229</b>   |
| <b>TOTAL ₹</b>  |          | <b>576,563,104</b> | <b>580,528,342</b>     |
| <b>ASSETS</b>   |          |                    |                        |
| <b>Non-current assets</b>   |          |                    |                        |
| <b>Fixed assets</b>   |          |                    |                        |
| Tangible assets   | 10       | 193,233,644        | 206,706,229            |
| Non-current investments   | 11       | 1,160,457          | 1,190,466              |
| Long-term loans and advances                                      | 12       | 110,015,504        | 304,409,605            |
|   |          |                    | <b>107,897,302</b>     |
|   |          |                    | <b>315,793,997</b>     |
| <b>Current assets</b>   |          |                    |                        |
| Inventories   | 13       | 176,220,506        | 211,448,750            |
| Trade receivables   | 14       | 76,622,395         | 39,069,701             |
| Cash and cash equivalents   | 15       | 6,213,669          | 3,469,014              |
| Short-term loans and advances                                     | 16       | 13,096,929         | 10,337,945             |
| Other current assets  | 17       | -                  | 272,153,499            |
|   |          |                    | <b>408,936</b>         |
|   |          |                    | <b>264,734,345</b>     |
| <b>TOTAL ₹</b>  |          | <b>576,563,104</b> | <b>580,528,342</b>     |
| Significant Accounting Policies and Notes on Financial Statements | 1 to 41  |                    |                        |

As per our report of even date

**For CHANDRAKANT & SEVANTILAL & J K SHAH & CO.**

Chartered Accountants

Firm Reg. No. 101676W

**H. B. Shah**

(Partner)

Membership No. 16642

**for ROYAL CUSHION VINYL PRODUCTS LTD.**

**MAHESH K SHAH**

Chairman & Managing Director

00054351

**JAYESH A MOTASHA**

Director & CFO

00054236

Place : VADODARA

Date : 27/05/2016

## Annual Report 2015-2016

### Profit and Loss Statement for the year ended 31st March, 2016

(Amount in ₹)

| Particulars   | Note No. | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|----------|-----------------------|-----------------------|
| Revenue from Operations   | 18       | 801,735,369           | 805,300,867           |
| Less: Excise Duty   |          | 54,201,261            | 58,406,550            |
| Revenue from Operations (Net)                                     |          | 747,534,108           | 746,894,317           |
| Other income  | 19       | 1,776,353             | 9,595,707             |
| <b>Total Revenue</b>  |          | <b>749,310,461</b>    | <b>756,490,024</b>    |
| <b>Expenses:</b>  |          |                       |                       |
| Cost of Materials Consumed  | 20       | 502,152,293           | 594,149,219           |
| Changes in Inventories of Finished Goods & Work-In-Progress       | 21       | 14,020,503            | 15,898,504            |
| Employee Benefits Expense   | 22       | 62,687,302            | 59,965,248            |
| Finance Costs   | 23       | 41,703,871            | 25,287,607            |
| Depreciation and Amortization Expense                             | 10       | 13,830,504            | 20,642,835            |
| Other Expenses  | 24       | 178,890,369           | 182,523,181           |
| <b>Total expenses</b>   |          | <b>813,284,842</b>    | <b>898,466,593</b>    |
| <b>Loss for the year</b>  |          | <b>(63,974,381)</b>   | <b>(141,976,570)</b>  |
| Prior Year Items (Net of Income and Expense)                      |          | (116,452)             | (11,937,235)          |
| Profit / (Loss) before Exceptional Item                           |          | <b>(64,090,833)</b>   | <b>(153,913,805)</b>  |
| Exceptional Income  |          | -                     | -                     |
| <b>Profit / (Loss) Before Tax</b>                                 |          | <b>(64,090,833)</b>   | <b>(153,913,805)</b>  |
| Tax Expenses  |          | -                     | (1,448,510)           |
| <b>Profit / (Loss) for the Year</b>                               |          | <b>(64,090,833)</b>   | <b>(152,465,295)</b>  |
| Earnings per Equity Share of Face Value of ₹10/- each             |          |                       |                       |
| Basic & Diluted   |          | (5.31)                | (12.63)               |
| Significant Accounting Policies and Notes on Financial Statements | 1 to 41  |                       |                       |

As per our report of even date

**For CHANDRAKANT & SEVANTILAL & J K SHAH & CO.**

Chartered Accountants

Firm Reg. No. 101676W

**H. B. Shah**

(Partner)

Membership No. 16642

**for ROYAL CUSHION VINYL PRODUCTS LTD.**

**MAHESH K SHAH**

Chairman & Managing Director

00054351

**JAYESH A MOTASHA**

Director & CFO

00054236

Place : VADODARA

Date : 27/05/2016

CASH FLOW STATEMENT

(Amount in ₹)

| Particulars  | Note No.     | Year ended 31.03.2016 | Year ended 31.03.2015 |
|--|--------------|-----------------------|-----------------------|
| <b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>                                      |              |                       |                       |
| Net Profit /(Loss) before Tax, extra-ordinary Items & Prior Period Expenses/Income |              | (63,974,381)          | (141,976,570)         |
| Adjustment for :   |              |                       |                       |
| Depreciation   | 13,830,504   |                       | 20,642,835            |
| Prior Year Items (Net of Income and Expenses)                                      | (116,452)    |                       | (11,937,235)          |
| Finance Cost   | 41,703,871   |                       | 25,287,607            |
| Interest Received  | (939,917)    |                       | (852,279)             |
| (Profit)/Loss on Sale of fixed assets (net)  | (70,679)     |                       | -                     |
| Lease Rent   | (831,480)    |                       | (631,485)             |
| Share of loss from Partnership firm  | 78,561       |                       | -                     |
| Provision for Doubtful Debts Written Back  | -            |                       | (5,842,430)           |
| Dividend Received  | (4,956)      | 53,649,452            | (29,900)              |
| <b>Operating profit before working capital changes</b>                             |              | (10,324,929)          | (115,339,457)         |
| Adjustment for :   |              |                       |                       |
| Inventories  | 35,228,244   |                       | 34,776,062            |
| Trade & Other Receivables  | (37,552,694) |                       | (2,793,735)           |
| Loans & Advances   | (4,877,186)  |                       | 2,026,696             |
| Trade Payables   | (15,636,224) |                       | 283,641,213           |
| Other current liabilities  | (804,945)    |                       | (144,483,900)         |
| Provisions   | 3,237,802    | (20,405,003)          | 13,458,957            |
| <b>Cash generated from operation</b>   |              | (30,729,932)          | 71,285,837            |
| <b>Cash after Extraordinary items</b>  |              | (30,729,932)          | 71,285,837            |
| <b>Net Cash from operating activities</b>  |              | (30,729,932)          | 71,285,837            |
| <b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>                                      |              |                       |                       |
| Purchase of fixed assets   | (394,740)    |                       | (2,760,251)           |
| Sale of fixed assets   | 107,500      |                       | -                     |
| Sale of investments  | 30,009       |                       | 1,313,887             |
| Interest Received  | 939,916      |                       | 852,279               |
| Value of advance import licence written off  | 408,936      |                       | -                     |
| Lease Rent   | 831,480      |                       | 631,485               |
| Share of loss from Partnership firm  | (78,561)     |                       | -                     |
| Income Tax /FBT  | -            |                       | 1,448,510             |
| Provision for Doubtful Debts written back  | -            |                       | 5,842,430             |
| Dividend Received  | 4,956        |                       | 29,900                |
| <b>Net Cash Used for Investing Activities</b>                                      |              | 1,849,496             | 7,358,240             |
| <b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>                                      |              |                       |                       |
| Borrowing  | 73,328,962   |                       | (56,114,742)          |
| Interest paid  | (41,703,871) |                       | (25,287,607)          |
| <b>Net Cash Used from Financing Activities</b>                                     |              | 31,625,091            | (81,402,349)          |
| <b>Net Increase in cash and cash collection ( A+B+C)</b>                           |              | 2,744,655             | (2,758,272)           |
| <b>Cash &amp; Cash Equivalents at the beginning of the year</b>                    |              | 3,469,014             | 6,227,286             |
| <b>Cash &amp; Cash Equivalents at the end of the year</b>                          |              | 6,213,669             | 3,469,014             |

As per our report of even date

For CHANDRAKANT & SEVANTILAL & J K SHAH & CO.

Chartered Accountants

Firm Reg. No. 101676W

for ROYAL CUSHION VINYL PRODUCTS LTD.

H. B. Shah

(Partner)

Membership No. 16642

Place : VADODARA

Date : 27/05/2016

MAHESH K SHAH

Chairman & Managing Director

00054351

JAYESH A MOTASHA

Director & CFO

00054236

## Annual Report 2015-2016

### NOTES 2 TO 17 FORMING PART OF THE BALANCE SHEET

#### Notes on Financial Statements for the year ended 31st March, 2016

#### 2. Share Capital

| Particulars  | As at<br>31.03.2016<br>₹ | As at<br>31.03.2015<br>₹ |
|--|--------------------------|--------------------------|
| <b>Authorised :</b><br>30,000,000 (Previous year 30,000,000) Equity Shares of ₹10/- each                                   | <b>300,000,000</b>       | <b>300,000,000</b>       |
| <b>Issued, Subscribed &amp; Paid up</b><br>12,067,212 (Previous Year 12,067,212) Equity Shares of ₹10/- each fully paid up | 120,672,120              | 120,672,120              |
| <b>Total</b>   | <b>120,672,120</b>       | <b>120,672,120</b>       |

#### 2.1) Rights of Equity Shareholders

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

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

| Particulars                                     | As at 31.03.2016<br>Numbers (₹) |             | As at 31.03.2015<br>Numbers (₹) |             |
|---|---------------------------------|-------------|---------------------------------|-------------|
| Shares outstanding at the beginning of the year | 12,067,212                      | 120,672,120 | 12,067,212                      | 120,672,120 |
| Shares Issued during the year                   | -                               | -           | -                               | -           |
| Shares outstanding at the end of the year       | 12,067,212                      | 120,672,120 | 12,067,212                      | 120,672,120 |

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

| Name of Shareholder  | As at 31.03.2016       |              | As at 31.03.2015       |              |
|--|------------------------|--------------|------------------------|--------------|
|  | No. of Shares held     | % of Holding | No. of Shares held     | % of Holding |
| 1 Bhaktavatsala Trading & Consultancy Services LLP                   | 890,360                | 7.38         | 890,360                | 7.38         |
| 2 Sahishnu Trading & Consultancy Services LLP                        | 639,490                | 5.30         | 639,490                | 5.30         |
| 3 Shreedaha Trading & Consultancy Services LLP                       | 639,450                | 5.30         | 640,050                | 5.30         |
| 4 Sugghosh Trading & Consultancy Services LLP                        | 639,460                | 5.30         | 639,460                | 5.30         |
| 5 Trilokatma Trading & Consultancy Services LLP                      | 890,360                | 7.38         | 890,360                | 7.38         |
| 6 Lapada (Mauritius) Limited   | 2,880,000              | 23.87        | 2,880,000              | 23.87        |
| <b>3. Reserves &amp; Surplus</b>                                     |                        |              |                        |              |
| a. Capital Reserve as per the last balance sheet                     | 649,080                |              | 649,080                |              |
| b. Securities Premium Reserve as per the last balance sheet          | 723,225,231            |              | 723,225,231            |              |
| c. Investment Allowance Reserve as per the last balance sheet        | 4,534,000              |              | 4,534,000              |              |
|  | <b>728,408,311</b>     |              | <b>728,408,311</b>     |              |
| d. Surplus/Deficit in the statement of Profit & Loss                 |                        |              |                        |              |
| Opening Balance  | (5,654,831,006)        |              | (5,353,963,523)        |              |
| Add :Loss for the year   | (64,090,833)           |              | (152,465,295)          |              |
| Add :Value of assets beyond useful life as on 01/04/2014 written off | -                      |              | (148,402,188)          |              |
| Closing Balance  | <b>(5,718,921,839)</b> |              | <b>(5,654,831,006)</b> |              |
| <b>Total</b>   | <b>(4,990,513,528)</b> |              | <b>(4,926,422,695)</b> |              |

NOTES 2 TO 17 FORMING PART OF THE BALANCE SHEET

4. SHARE APPLICATION MONEY

| Particulars        | As at<br>31.03.2016<br>₹ | As at<br>31.03.2015<br>₹ |
|--------------------|--------------------------|--------------------------|
| Promoters & Others | 73,915,000               | 73,915,000               |
| <b>Total</b>       | <b>73,915,000</b>        | <b>73,915,000</b>        |

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

5. Long Term Borrowings

| Name of Shareholder  | As at 31.03.2016 |             | As at 31.03.2015 |             |
|--|------------------|-------------|------------------|-------------|
|  | Current          | Non Current | Current          | Non Current |
| <b><u>Secured</u></b><br><b><u>Term loans from Banks :</u></b><br><b><u>Bank of India</u></b><br>Secured by way of first charge ranking paripassu with Exim Bank, Global Trust Bank (OBC), Saraswat Co-op Bank and IDBI on specific movable & immovable properties presents & future subject to the prior charge on specified movable created / to be created in favour of bankers, by way of security for borrowing for working capital and further secured by personal guarantee of directors of the Company |                  | 284,178,176 |                  | 284,178,176 |
| <b><u>Exim Bank</u></b><br>Secured by way of first charge ranking paripassu with Bank of India, Global Trust Bank (OBC), Saraswat Co-op Bank and IDBI on specific movable & immovable properties presents & future subject to the prior charge on specified movable created / to be created in favour of bankers, by way of security for borrowing for working capital and further secured by personal guarantee of directors of the Company   |                  | 18,272,560  |                  | 18,272,560  |
| <b><u>Global Trust Bank</u></b><br>Secured by way of first charge ranking paripassu with Bank of India, Exim Bank Saraswat Co-op Bank and IDBI on specific movable & immovable properties presents & future subject to the prior charge on specified movable created/to be created in favour of bankers, by way of security for borrowing for working capital and further secured by personal guarantee of directors of the Company  |                  | 32,561,049  |                  | 32,561,049  |

NOTES 2 TO 17 FORMING PART OF THE BALANCE SHEET

5. Long Term Borrowings

| Name of Shareholder  | As at 31.03.2016 |               | As at 31.03.2015 |               |
|--|------------------|---------------|------------------|---------------|
|  | Current          | Non Current   | Current          | Non Current   |
| <b>IDBI</b><br>Secured by way of first charge ranking paripassu with Bank of India, Exim Bank and Global Trust Bank on specific movable & immovable properties presents & future subject to the prior charge on specified movable created/to be created in favour of bankers, by way of security for borrowing for working capital and further secured by personal guarantees of directors of the company.                                 |                  | 1,257,545,414 |                  | 1,257,545,414 |
| <b>Saraswat Co-op Bank Ltd.</b><br>Secured by way of first charge ranking paripassu with Bank of India, Exim Bank, IDBI and Global Trust Bank (OBC) on specific movable & immovable properties presents & future subject to the prior charge on specified movable created / to be created in favour of bankers, by way of security for borrowing for working capital and future secured by personal guarantee of directors of the Company. |                  | 177,138,264   |                  | 177,138,264   |
| <b>Swaminarayan Co-op Bank Ltd.</b><br>Secured by way of Hypothecation of specific Plant & Machinery & personal guarantee of directors of the Company  |                  | 2,214,671     |                  | 2,214,671     |
| <b>Baroda Peoples Co-op Bank Ltd.</b><br>Secured by way of Hypothecation of specific Plant & Machinery & personal guarantee of directors of the Company  |                  | 1,944,225     |                  | 1,944,225     |
| <b>Panchmahal Dist. Co-op Bank Ltd.</b><br>Secured by way of Hypothecation of specific Plant & Machinery & personal guarantee of directors of the Company  |                  | 8,200,934     |                  | 8,200,934     |
| <b>Baroda City Co-op Bank Ltd.</b><br>Secured by way of Hypothecation of specific Plant & Machinery & personal guarantee of directors of the Company   |                  | 3,268,089     |                  | 3,268,089     |
| <b>Mandvi Co op.Bank Ltd.</b><br>Secured by way of hypocation of Vehicles  |                  | 49,095        |                  | 49,095        |
| <b>Term loans from Financial Institutions :</b><br><b>G.S.F.C.</b><br>Secured by way of Hypothecation of specific Plant & Machinery & personal guarantee of directors of the Company   |                  | 11,518,041    |                  | 11,518,041    |



NOTES 2 TO 17 FORMING PART OF THE BALANCE SHEET

5. Long Term Borrowings

| Name of Shareholder   | As at 31.03.2016 |                      | As at 31.03.2015 |                      |
|---|------------------|----------------------|------------------|----------------------|
|   | Current          | Non Current          | Current          | Non Current          |
| <b>Kirloskar Inv. and Finance Ltd</b><br>Secured by way of hypothecation of specific Plant & Machinery & personal guarantee of directors of the Company |                  | 7,307,824            |                  | 7,307,824            |
| <b>Lloyd Finance Ltd.</b><br>Secured by way of hypocation of Vehicles & personal guarantee of directors of the Company                                  |                  | 562,715              |                  | 562,715              |
| <b>Unsecured</b>  |                  |                      |                  |                      |
| From Banks  |                  | 458,664,195          |                  | 458,664,195          |
| From Company  |                  | 582,293,733          |                  | 426,421,640          |
| From Directors  |                  | 10,360,609           |                  | 12,463,241           |
| From Others   |                  | 117,753,871          |                  | 198,194,371          |
| <b>Total</b>  | <b>-</b>         | <b>2,973,833,465</b> | <b>-</b>         | <b>2,900,504,504</b> |

- 5.1 (a) As in the past, in current year also, due to non - receipt of the Bank statements/Bank advices/Balance certificates from the financial institutions/banks, book entries pertaining to banks and financial institutions, transactions could not be reconciled. Further, in absence of such details and information, the amount payable also could not be estimated or ascertained. Thus, bank balances and balances of such financial Institutions as on 31.03.2016 are subject to adjustments if any, to be carried out on receipt of the relevant statements / Bank Advices / Certificates from banks/ financial institutions.
- (b) Many Banks / financial Institutions had not charged interest in earlier year and current year. However, till 31.03.2014, the Company has provided interest at the normal rate applicable on the closing balance of loan amount appearing in the books of accounts (except on outstanding Loan balance of IDBI, Oriental Bank of Commerce (OBC) Exim Bank and Bank of India and shown as interest payable under the head other current liabilities. However w.e.f. 01.04.14 the Company has not provided interest on other old loans also i.e. from Saraswat co-op bank, Baroda co-op bank, GSFC, BHF bank, Swaminarayan Co. op bank, Baroda peoples co-op bank, Baroda city co-op bank, Panchmal dist co-op Bank, Mandvi Co-op bank, Lloyd Finance, as Company has already given one time settlement proposal to these lenders under the proposed DRS. Had the company provided interest as per practise followed in earlier years loss would have been higher by ₹ 5,36,75,732 (P.Y. ₹ 5,36,75,732)
- (c) Pursuant to the arrangement / understanding between Natroyal Industries Private Limited ( NIPL ) and the Company, NIPL has arranged / obtained a Term Loan of ₹ 900 Lakhs from ICICI Bank for the Company. Subsequently, the said Loan amount was transferred by NIPL to the Company and the Company has treated the same as Loan from NIPL. The instalments including interest is paid on the said Loan by the Company to ICICI bank directly accordingly the Principal amount is debited to NIPL Loan Account and interest thereon is debited to interest account in the Company's Books of Accounts. During the year NIPL and co-borrowers has arranged a Loan of ₹ 1456 lacs from Capital First Ltd. ( CFL ), and out of funds received from CFL, the loan outstanding of ICICI Bank is paid . All expenses including foreclosure charges for ICICI Bank loan is paid by the Company.

NOTES 2 TO 17 FORMING PART OF THE BALANCE SHEET

6. Long Term Provisions

| Particulars                                   | As at<br>31.03.2016<br>₹ | As at<br>31.03.2015<br>₹ |
|---|--------------------------|--------------------------|
| <u>Provision for Employee Benefits</u>        |                          |                          |
| Provision for Gratuity                        | 17,133,499               | 15,328,445               |
| Provision for Leave Benefits                  | 3,653,332                | 2,526,053                |
| Provision for Customs duty including interest | 769,234,686              | 769,234,686              |
| <b>Total</b>                                  | <b>790,021,517</b>       | <b>787,089,184</b>       |

6.1) Under the Duty Exemption Scheme of Advance Licence ( as well as similar other licence scheme) pursuant to Import & Export Policy of Government of India, duty free imports of raw materials are permitted and they are required to be used in manufacturing of goods for export, as well as, export of goods has to be effected within the time allowed, in terms of the scheme. The Company has availed of such licences from time to time. In the past, it had fulfilled its export obligations. However, although the Company had imported duty free raw material under certain licences, 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 fulfilment of export obligations, the authorities can recover the import duty and mandatory interest thereon. The liability for such duty & interest of ₹769,234,686 (P.Y. ₹769,234,686) is Provided till 31.03.2014. From 01.04.2014 the Company has stopped providing interest on custom duty liability, as company has filed DRS with BIFR with a request to fullfill balance export obligation with seven year of approval of the DRS. Further the operating agency IDBI has completed appraisal of DRS and forwarded to BIFR for consideration and circulation Had the company provided interest as per practise followed in earlier years loss would have been higher by ₹3,78,25,074 and reserve and surplus would have been lower to that extend. The Company has received various demand notices amounting to ₹3,58,080,677 from DGFT towards pending export obligation. These order are challenged by the Company with the concerned authorities and matter for recovery of dues is pending due to BIFR.

7. Trade Payables

| Particulars      | As at<br>31.03.2016<br>₹ | As at<br>31.03.2015<br>₹ |
|------------------|--------------------------|--------------------------|
| Sundry Creditors | 775,769,783              | 791,406,007              |
| <b>Total</b>     | <b>775,769,783</b>       | <b>791,406,007</b>       |

8. Other current liabilities

|   |                    |                    |
|---|--------------------|--------------------|
| (a) Interest accrued and due on borrowing | 795,602,007        | 793,926,724        |
| (b) Advance from Customers                | 22,141,219         | 25,878,023         |
| (c) Statutory Liabilities                 | 11,684,926         | 9,531,174          |
| (d) Deposits                              | 65,000             | 65,000             |
| (e) Advance for sale of Land              | 1,110,153          | 1,110,153          |
| (f) Other Liabilities                     | 27,225             | 924,400            |
| <b>Total</b>                              | <b>830,630,530</b> | <b>831,435,474</b> |

**NOTES 2 TO 17 FORMING PART OF THE BALANCE SHEET**

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

**9. Short Term Provisions**

| Particulars                            | As at<br>31.03.2016<br>₹ | As at<br>31.03.2015<br>₹ |
|--|--------------------------|--------------------------|
| <b>Provision for Employee Benefits</b> |                          |                          |
| ( a ) Provision for Gratuity           | 1,236,044                | 1,098,787                |
| ( b ) Provision for Leave Benefits     | 998,173                  | 829,961                  |
| <b>Total</b>                           | <b>2,234,217</b>         | <b>1,928,748</b>         |

## NOTES 2 TO 17 FORMING PART OF THE BALANCE SHEET

| 10. FIXED ASSETS       |                        |                        |                |                        |                       |                                   |                |                        |                        |
|------------------------|------------------------|------------------------|----------------|------------------------|-----------------------|-----------------------------------|----------------|------------------------|------------------------|
| (Amount in ₹)          |                        |                        |                |                        |                       |                                   |                |                        |                        |
| Particulars            | Gross Block            |                        |                | Depreciation           |                       |                                   | Net Block      |                        |                        |
|                        | As at 31st March, 2015 | Additions for the year | Disposals      | As at 31st March, 2016 | As at 1st April, 2015 | Depreciation charged for the year | On Disposals   | As at 31st March, 2016 | As at 31st March, 2015 |
| <b>Tangible Assets</b> |                        |                        |                |                        |                       |                                   |                |                        |                        |
| Land (Freehold)        | 4,870,698              | -                      | -              | 4,870,698              | -                     | -                                 | -              | 4,870,698              | 4,870,698              |
| Factory Buildings      | 173,300,803            | -                      | -              | 173,300,803            | 100,372,864           | 4,321,684                         | -              | 68,606,255             | 72,927,939             |
| Other Buildings        | 6,371,144              | -                      | -              | 6,371,144              | 5,398,687             | 165,101                           | -              | 807,356                | 972,457                |
| Plant & Equipment      | 1,577,109,691          | 180,000                | -              | 1,577,289,691          | 1,452,980,477         | 8,540,173                         | -              | 115,769,041            | 124,129,214            |
| Furniture & Fixtures   | 12,768,706             | 132,000                | -              | 12,900,706             | 11,569,560            | 264,385                           | -              | 1,066,761              | 1,199,146              |
| Vehicles               | 10,657,924             | -                      | 736,440        | 9,921,484              | 9,555,641             | 228,411                           | 699,619        | 837,051                | 1,102,283              |
| Office Equipment       | 16,932,297             | 82,740                 | -              | 17,015,037             | 15,427,805            | 310,750                           | -              | 1,276,482              | 1,504,492              |
| <b>Total ₹</b>         | <b>1,802,011,263</b>   | <b>394,740</b>         | <b>736,440</b> | <b>1,801,669,563</b>   | <b>1,595,305,034</b>  | <b>13,830,504</b>                 | <b>699,619</b> | <b>1,608,435,919</b>   | <b>206,706,229</b>     |
| Previous Year's Total  | 1,799,251,021          | 2,760,251              | -              | 1,802,011,263          | 1,426,260,011         | *169,045,023                      | -              | 206,706,229            | 372,991,001            |

\* 10.1) Depreciation charges for the previous year includes ₹ 148,402,188 being value of assets beyond useful life charged to retained earning.

NOTES 2 TO 17 FORMING PART OF THE BALANCE SHEET

11. Non Current Investments

| Particulars  | As at<br>31.03.2016<br>₹ | As at<br>31.03.2015<br>₹ |
|--|--------------------------|--------------------------|
| <b>Long Term Investment (at cost)</b>  |                          |                          |
| <b>A Investment in Shares</b>  |                          |                          |
| <b>i) Quoted : (Non Trade)</b>   |                          |                          |
| <b>Equity Shares</b>   |                          |                          |
| 38,800 (PY.38,800) equity shares in Industrial Development Bank of India of ₹10/- each                   | 5,044,000                | 5,044,000                |
| Less : Allotment money payable   | 4,212,147                | 4,212,147                |
|  | 831,853                  | 831,853                  |
| Less : Provision for Diminution in value of Investment   | 831,853                  | 831,853                  |
|  | -                        | -                        |
| <b>ii) Unquoted : (Non Trade) in Equity</b>  |                          |                          |
| <b>Investment in Shares of Subsidiary Company :</b>  |                          |                          |
| 4,50,200 Shares (PY.4,50,200) in Euro Royal Flor Limited (U.K.) of STG pound 1 (one) each fully paid up. | 25,931,404               | 25,931,404               |
| Less : provision for diminution in value of investment   | 25,931,404               | 25,931,404               |
|  | -                        | -                        |
| 30,000 (PY 30,000) equity shares in AB Corp Ltd of ₹10/- each fully paid up.                             | 2,475,000                | 2,475,000                |
| Less : Provision for Diminution in value of Investment   | 2,475,000                | 2,475,000                |
|  | -                        | -                        |
| 5,010 (PY 5,010) shares in Swaminarayan Co-op Bank Ltd. of ₹25/- each fully paid up.                     | 125,250                  | 125,250                  |
| 12,500 (PY.12,500) shares in Baroda Peoples Co-op Bank Ltd of ₹10/- each fully paid up.                  | 125,000                  | 125,000                  |
| 7,500 (PY.7,500) shares in Baroda City Co-op Bank Ltd. of ₹10/- each fully paid up.                      | 75,000                   | 75,000                   |
| 1,000(PY.1,000)shares in Saraswat Co-op Bank Ltd. of ₹10/- each fully paid up.                           | 10,000                   | 10,000                   |
| 1,083 (PY.1,083) shares in Mandvi Co-op Bank Ltd. of ₹10/- each fully paid up.                           | 10,830                   | 10,830                   |
|  | 346,080                  | 346,080                  |
| <b>B Government Securities</b>   |                          |                          |
| National Saving Certificates<br>( Pledged with Government Authorities )                                  | 2,000                    | 2,000                    |
| <b>C Investment by way of capital in a partnership firm</b>  |                          |                          |
| Creative Investment  | 812,377                  | 842,386                  |
| <b>Total</b>   | <b>1,160,457</b>         | <b>1,190,466</b>         |
| Aggregate amount of quoted investments   | 831,853                  | 831,853                  |
| Aggregate amount of unquoted investments   | 28,754,484               | 28,754,484               |
| Aggregate amount of Market Value of quoted investments   | Nil                      | Nil                      |
| Aggregate Provision for the diminution in Value of investments   | 29,238,257               | 29,238,257               |

**NOTES 2 TO 17 FORMING PART OF THE BALANCE SHEET**

11.1) The Company has made an investment of ₹25,931,404 ( £ 450.200) in Euroroyal Floors Ltd.( "ERF") wholly owned subsidiary in U.K. The subsidiary also owes ₹233,375,543 ( Net of commission payable ₹10,619,234 ) towards supply of goods made to it. The principal customers of ERF in Russia did not honour the debts, Due to this ERF in turn, could not pay its creditors. The Company has been informed by the ex-local Directors of ERF that one of the creditors had filed a suit for winding-up of ERF pursuant to which the High Court of Justice of U. K. made a winding-up order dated 11th June,2001 against ERF and the official receiver has been appointed to liquidate the assets of ERF. Thereafter order dated 12/03/2002 was passed and ERF is dissolved Under the circumstances , the Management had provided for diminution in value of investment made in ERF in the year 2000-01.As also, provision against the debt of ₹233,375,543 due from ERF had been made during the earlier year.

**12. Long Term Loans & Advances**

| Particulars  | As at<br>31.03.2016<br>₹ | As at<br>31.03.2015<br>₹ |
|--|--------------------------|--------------------------|
| Sicom Limited for settlement of due to bank Deposits | 93,200,000<br>16,815,504 | 91,581,643<br>16,315,659 |
| <b>Total</b>   | <b>110,015,504</b>       | <b>107,897,302</b>       |

**12.1BIFR Status and Merger**

**(a) BIFR STATUS**

The Company has been registered with The Board For Industrial and Financial Reconstruction (BIFR) since Sept. 2002. The Company's Scheme for Reconstruction and other related matters are pending before BIFR. The BIFR vide it's order dated 11.06.2015 circulated DRS to all parties. Due to administrative difficulties hearing could not take place thereafter. The Company Obtained various loans secured or otherwise, from banks and financial institutions in the course of its business including loans from IDBI,BOI,Exim Bank and OBC (IDBI,BOI,Exim Bank and OBC are hereinafter collectively referred as : "the said lenders" and loans from the said lenders are referred as the said loans"). In past Assets Reconstruction Company (I) Ltd.(ARCIL) acquired said loan from the said lenders then outstanding at about ₹ 58,00,00,000 excluding Interest. ARCIL had suggested certain restructuring, Mean while during the year 2011-12 SICOM Ltd acquired, the said loans from ARCIL for an aggregate consideration of ₹14,00,00,000 . The Company has paid ₹9,32,00,000 to SICOM Limited on this account, which is debited to its account in books of the Company.

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

The Company has provided/paid interest on the said amount of ₹ 14,00,00,000 paid by SICOM to Arcil (after considering said payment of ₹ 9,32,00,000) treated as loan to the Company and forming part of the said loans, As stated in Note No.5.1 (b) on the balance amount of the said loans interest is not paid/provided.

NOTES 2 TO 17 FORMING PART OF THE BALANCE SHEET

(b) MERGER

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

12.2) Including rent deposit of ₹60,00,000 (P.Y. ₹60,00,000) given to M V Trust Properties in which directors are interested.

13. Inventories

| Particulars       | As at<br>31.03.2016<br>₹ | As at<br>31.03.2015<br>₹ |
|-------------------|--------------------------|--------------------------|
| Raw materials     | 33,236,894               | 56,379,140               |
| Work-in-progress  | 74,962,395               | 81,264,964               |
| Finished goods    | 56,275,256               | 63,993,190               |
| Packing Materials | 2,432,645                | 2,612,877                |
| Consumable Stores | 9,119,316                | 7,067,079                |
| Fuel              | 194,000                  | 131,500                  |
| <b>Total</b>      | <b>176,220,506</b>       | <b>211,448,750</b>       |

14. Trade Receivables (Unsecured)

Outstanding for a period exceeding six months from the date they are due for payment

|                     |             |             |
|---------------------|-------------|-------------|
| Considered good     | 53,110,910  | 19,954,355  |
| Considered Doubtful | 234,574,220 | 234,574,220 |
|                     | 287,685,130 | 254,528,575 |

Less : Provision for Doubtful Debts

|                          |             |             |
|--------------------------|-------------|-------------|
|                          | 234,574,220 | 234,574,220 |
|                          | 53,110,910  | 19,954,355  |
| Others (Considered good) | 23,511,485  | 19,115,346  |

**Total** **76,622,395** **39,069,701**

15. Cash & Bank Balances

|                             |                  |                  |
|-----------------------------|------------------|------------------|
| a. Balances with banks      | 4,642,256        | 1,577,840        |
| b. Fixed Deposit with banks | 1,121,871        | 1,432,476        |
| c. Cash on hand             | 449,542          | 458,698          |
| <b>Total</b>                | <b>6,213,669</b> | <b>3,469,014</b> |

Fixed deposit of ₹11,21,871 (P.Y. ₹14,32,476) was held as security deposit against Bank Guarantee.

**NOTES 2 TO 17 FORMING PART OF THE BALANCE SHEET**

**16. Short Term Loans & Advances**  
(Unsecured, considered good)

| Particulars                      | As at<br>31.03.2016<br>₹ | As at<br>31.03.2015<br>₹ |
|----------------------------------|--------------------------|--------------------------|
| Advances for purchase of Assets  | 3,096,656                | 3,090,956                |
| Prepaid Expenses                 | 374,288                  | 323,568                  |
| Advances to Staff                | 1,592,156                | 1,433,514                |
| Advances to Suppliers            | 5,380,027                | 2,149,360                |
| Other Advances                   | 107,200                  | 7,416                    |
| Tax deducted at source           | 1,028,129                | 844,923                  |
| Balance with Excise Authorities  | 1,518,473                | 2,488,208                |
| <b>Total</b>                     | <b>13,096,929</b>        | <b>10,337,945</b>        |
| <b>17. Other Current Assets</b>  |                          |                          |
| a) Advance Import Lic Receivable | -                        | 408,936                  |
| <b>Total</b>                     | <b>-</b>                 | <b>408,936</b>           |

**NOTES 18 TO 24 FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

**18. Revenue from Operation**

| Particulars                      | Year ended<br>31.03.2016<br>₹ | Year ended<br>31.03.2015<br>₹ |
|----------------------------------|-------------------------------|-------------------------------|
| <u>Sales of Products</u>         | 761,968,979                   | 767,572,019                   |
| Add: Exchange Rate Difference    | 608,068                       | 552,657                       |
| <u>Other Operating Revenues</u>  |                               |                               |
| Sale of Scrap                    | 39,158,322                    | 37,176,191                    |
| <b>Total</b>                     | <b>801,735,369</b>            | <b>805,300,867</b>            |
| <b>18.1) DETAILS OF TURNOVER</b> |                               |                               |
| PVC Floor Covering               | 56,032,195                    | 57,153,955                    |
| PVC Laminated Sheet /Tiles       | 569,353,554                   | 709,082,248                   |
| PVC Leathercloth                 | 136,583,230                   | 1,335,816                     |
| <b>Total</b>                     | <b>761,968,979</b>            | <b>767,572,019</b>            |



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### NOTES 18 TO 24 FORMING PART OF THE PROFIT AND LOSS ACCOUNT

#### 19. Other Income

| Particulars                           | Year ended<br>31.03.2016<br>₹ | Year ended<br>31.03.2015<br>₹ |
|---------------------------------------|-------------------------------|-------------------------------|
| Interest                              | 939,917                       | 852,279                       |
| Dividend From Long Term Investment    | 4,956                         | 29,900                        |
| Unclaimed Liabilities written off     | -                             | 5,842,430                     |
| Lease Rent                            | 831,480                       | 631,485                       |
| Share of profit from Partnership firm | -                             | 141,113                       |
| Miscellaneous Income                  | -                             | 2,098,500                     |
| <b>Total</b>                          | <b>1,776,353</b>              | <b>9,595,707</b>              |

#### 20. Cost of Material Consumed

|                     |                    |                    |
|---------------------|--------------------|--------------------|
| Opening Stock       | 56,379,140         | 75,003,081         |
| Purchases           | 479,010,047        | 575,525,278        |
|                     | 535,389,187        | 650,528,359        |
| Less: Closing Stock | 33,236,894         | 56,379,140         |
| <b>Total</b>        | <b>502,152,293</b> | <b>594,149,219</b> |

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

| RAW MATERIAL CONSUMED | Amount             | %          | Amount             | %          |
|-----------------------|--------------------|------------|--------------------|------------|
| Imported              | 146,212,509        | 29         | 168,179,281        | 28         |
| Indigenous            | 355,939,784        | 71         | 425,969,938        | 72         |
| <b>Total</b>          | <b>502,152,293</b> | <b>100</b> | <b>594,149,219</b> | <b>100</b> |
| PVC Resin             | 208,004,537        |            | 279,472,767        |            |
| Plasticizers          | 107,718,404        |            | 144,041,321        |            |
| Others                | 186,429,352        |            | 170,635,131        |            |
| <b>Total</b>          | <b>502,152,293</b> |            | <b>594,149,219</b> |            |

#### 21. Changes in Inventories of Finished Goods Work-In-Progress

| Particulars                | Year ended<br>31.03.2016<br>₹ | Year ended<br>31.03.2015<br>₹ |
|----------------------------|-------------------------------|-------------------------------|
| <b>Opening Stock</b>       |                               |                               |
| Finished Goods             | 63,993,190                    | 71,523,307                    |
| Work-in-process            | 81,264,964                    | 89,633,351                    |
|                            | 145,258,154                   | 161,156,658                   |
| <b>Less: Closing Stock</b> |                               |                               |
| Finished Goods             | 56,275,256                    | 63,993,190                    |
| Work-in-process            | 74,962,395                    | 81,264,964                    |
|                            | 131,237,651                   | 145,258,154                   |
| <b>Total</b>               | <b>14,020,503</b>             | <b>15,898,504</b>             |

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### NOTES 18 TO 24 FORMING PART OF THE PROFIT AND LOSS ACCOUNT

#### 21.1)Details of inventory of Finished Goods

| Particulars                                    | Year ended<br>31.03.2016<br>₹ | Year ended<br>31.03.2015<br>₹ |
|--|-------------------------------|-------------------------------|
| Cushion Vinyl Flooring                         | 41,608                        | 41,608                        |
| PVC Floor Covering                             | 5,172,761                     | 7,903,697                     |
| PVC Laminated Sheet /Tiles                     | 51,060,887                    | 56,047,885                    |
| <b>Total</b>                                   | <b>56,275,256</b>             | <b>63,993,190</b>             |
| <b>22. Employees Benefits Expense</b>          |                               |                               |
| Salaries                                       | 55,660,470                    | 50,771,150                    |
| Contribution to Provident Fund and Other Funds | 2,503,501                     | 2,189,278                     |
| Gratuity                                       | 2,778,286                     | 5,237,253                     |
| Staff Welfare                                  | 1,745,045                     | 1,767,567                     |
| <b>Total</b>                                   | <b>62,687,302</b>             | <b>59,965,248</b>             |
| <b>23. Finance Costs</b>                       |                               |                               |
| <b>Interest Expenses :</b>                     |                               |                               |
| Interest on long term borrowings               | 31,589,626                    | 21,564,715                    |
| Interest, Bank Charges, etc                    | 10,114,245                    | 3,722,892                     |
| <b>Total</b>                                   | <b>41,703,871</b>             | <b>25,287,607</b>             |

## Annual Report 2015-2016

### NOTES 18 TO 24 FORMING PART OF THE PROFIT AND LOSS ACCOUNT

#### 24. Other Expenses

| Particulars                                 | Year ended<br>31.03.2016<br>₹ | Year ended<br>31.03.2015<br>₹ |
|---|-------------------------------|-------------------------------|
| Consumption of stores and spares            | 14,092,740                    | 11,211,418                    |
| Consumption of packing material             | 24,440,902                    | 25,055,513                    |
| Power and fuel                              | 87,468,098                    | 84,664,971                    |
| Rent Fork lift                              | 1,359,510                     | 1,401,105                     |
| Lease Rent                                  | 2,208,436                     | 2,079,771                     |
| Rates and taxes                             | 934,036                       | 389,809                       |
| Insurance                                   | 316,563                       | 801,265                       |
| Electricity Charges                         | 1,495,571                     | 1,420,776                     |
| <b>Repairs and maintenance</b>              |                               |                               |
| - Plant and machinery                       | 4,382,895                     | 2,905,284                     |
| - Buildings                                 | 270,574                       | 131,920                       |
| - Others                                    | 203,592                       | 256,710                       |
| Management Fees                             | 1,407,847                     | 1,404,000                     |
| Design & Development                        | 1,883,697                     | 891,002                       |
| Machine Operating Charges                   | 6,082,823                     | 6,125,582                     |
| Payment to contractors for supply of Labour | 3,147,044                     | 12,987,870                    |
| Advertising and sales promotion             | 937,264                       | 1,191,983                     |
| Sales Commission & Discount                 | 94,005                        | 8,997                         |
| Travelling and conveyance                   | 2,518,735                     | 2,188,766                     |
| Telephone Expense                           | 1,099,674                     | 1,076,502                     |
| Vehicle Expense                             | 3,574,262                     | 4,064,776                     |
| Legal and professional fees                 | 2,653,986                     | 2,473,204                     |
| <b>Payment to auditor</b>                   |                               |                               |
| - Audit fees                                | 227,400                       | 227,400                       |
| - Tax Audit fees                            | 33,000                        | 33,000                        |
| - Taxation Matter                           | -                             | 65,500                        |
| - Certification Work                        | 36,000                        | -                             |
| Donation                                    | 11,000                        | -                             |
| Share of loss from Partnership firm         | 78,561                        | -                             |
| Value of advance import licence written off | 408,936                       | -                             |
| Loss on sale of fixed assets                | (70,679)                      | -                             |
| Freight and forwarding charges Outward      | 3,508,752                     | 3,919,795                     |
| Miscellaneous expenses                      | 14,085,147                    | 15,546,262                    |
| <b>Total :</b>                              | <b>178,890,369</b>            | <b>182,523,181</b>            |

### NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2016

#### 01 SIGNIFICANT ACCOUNTING POLICIES :

##### 1.1 GENERAL :

The financial statements have been prepared on historical cost basis and in accordance with the applicable provisions of the Companies Act, 2013 and Accounting Standards referred therein.

##### 1.2 REVENUE RECOGNITION :

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

##### 1.3 USE OF ESTIMATES :

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

##### 1.4 FIXED ASSETS :

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

##### 1.5 DEPRECIATION :

- (i) Depreciation is provided on Straight line method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013
- (ii) Freehold land is not amortised/depreciated.

##### 1.6 INVENTORIES :

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

##### 1.7 INVESTMENTS :

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

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

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

##### 1.9 RETIREMENT BENEFITS :

- (i) Company's contribution to Provident Fund and Employee's Pension Scheme, 1995 are charged to Profit & Loss statement.

- (ii) For Liabilities in respect of staff gratuity, the Company had entered into an agreement with the Life Insurance Corporation of India (LIC) under group gratuity scheme and the periodical payments towards the premium on the policy is charged to the profit and loss statement. The additional liability, if any, in respect of the above arising on retirement are charges to profit and loss accounts based on actuarial valuation report.
- (iii) The Company provides for the Liability at the year end on account of unavailed earned leave as per the actuarial valuation report.

### **1.10 FOREIGN CURRENCY TRANSACTIONS :**

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

### **1.11 BORROWING COSTS :**

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

### **1.12 LEASES :**

#### **a) Operating Lease :**

Lease of assets under which all the risk and rewards of ownership are effectively retained by the Lessor is classified as operating leases. Lease payments under operating leases are recognized as an expenses on accrual basis in accordance with respective lease agreements.

#### **b) Finance Lease :**

Assets acquired under lease where Company has substantially all the risks and rewards of ownership are classified as finance lease. Assets acquired under finance lease are capitalized and corresponding lease liability is recorded at an amount equal to the fair value of the leased asset at the inception of the lease. Initial costs incurred in connection with the specific leasing activities directly attributable to activities performed by the Company are included as part of the amount recognized as an asset under the lease.

### **1.13 IMPAIRMENT OF ASSETS :**

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

### **1.14 ACCOUNTING FOR TAXES ON INCOME :**

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

### **1.15 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :**

- (i) A provision is recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimate can be made. Provision is not discounted to its present value and is determined based on the best estimate

required to settle the obligation at the year end date. These are reviewed at each year end date & adjusted to reflect the best current estimate.

- (ii) Disclosure of contingent liabilities are made when there is a possible obligation or present obligation that may, but probably will not require an outflow of resources.

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

a) Guarantee / Letter of credit given by Company's Bankers

b) Foreign Bills Discounted with Banks

c) Show cause / Demand raised / Appeal filed to the Various Authorities & disputed by the Company

d) Penalty Imposed by FERA & disputed by the Company

e) Custom duty payable on Import of duty free capital goods,

f) Penalties, if any, in respect of custom duty liabilities for import of raw materials under advance licence scheme and of capital goods under EPCG Scheme

g) Suits filed against the Company for recovery of dues,

| 31.03.2016<br>(Amount in ₹) | 31.03.2015<br>(Amount in ₹) |
|-----------------------------|-----------------------------|
| Refer note below            | Refer note below            |
| Refer note below            | Refer note below            |
| 8,764,998                   | 3,103,796                   |
| 10,000,000                  | 10,000,000                  |

amount unascertainable.

amount unascertainable.

amount unascertainable.

Note : Liabilities not ascertained by the Company as the relevant details are not received from the respective authorities.

- 26 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 31.03.2016 are as under.

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

b) The total Capital of the Partners is ₹3,21,381 (net)

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

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

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

- 29 Sundry Debtors & Creditors (Including foreign suppliers) are subject to confirmation.

**30 Segment Reporting :**

The Company has one segment of activity namely PVC products (PVC Laminated Sheet/Tiles, PVC Leather Cloth).

**31 Accounting for Taxes on Income :**

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

**32 Accounting for Lease :**

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

(Amount in ₹)

| Particulars   | 2015-16   | 2014-15   |
|---|-----------|-----------|
| 1) Lease payment recognised in Profit and Loss statement for the year.                | 2,208,436 | 3,480,876 |
| 2) Future MLP under the Leases in the aggregate and for each of the following periods |           |           |
| i) Not later than one year  | 317,200   | 210,000   |
| ii) Later than one year & not later than Five Years.                                  | -         | -         |
| iii) Due after five years   | -         | -         |

33 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 etc.

34 The company has provided for gratuity benefit to its employees. Reconciliation of opening and closing balance of Defined Benefit obligation :

( ₹in Lacs)

| I  | Assumptions as at                              | Valuation Date<br>31st March, 2016 |
|----|--|------------------------------------|
|    | Mortality                                      | IALM (2006-08) Ult.                |
|    | Discount Rate                                  | 8%                                 |
|    | Rate of increase in compensation               | 10%                                |
|    | Rate of return (expected) on plan assets       |                                    |
|    | Withdrawal rates                               | 3,2,1%                             |
| II | <b>Changes in present value of obligations</b> |                                    |
|    | PVO at beginning of period                     | # 164.27                           |
|    | Interest cost                                  | 12.77                              |
|    | Current Service Cost                           | # 10.01                            |
|    | Benefits Paid                                  | # (5.16)                           |
|    | Actuarial (gain)/loss on obligation            | 1.80                               |
|    | PVO at end of period                           | # 183.70                           |

( ₹in Lacs)

| III  | Changes in fair value of plan assets  | Valuation Date<br>31st March, 2016 |
|------|---|------------------------------------|
|      | Fair Value of Plan Assets at beginning of period  | -                                  |
|      | Expected Return on Plan Assets  | -                                  |
|      | Contributions   | 5.16                               |
|      | Benefit Paid (=C26)   | (5.16)                             |
|      | Actuarial gain/(loss) on plan assets  | -                                  |
|      | Fair Value of Plan Assets at end of period  | -                                  |
| IV   | <b>Fair Value of Plan Assets</b>  |                                    |
|      | Fair Value of Plan Assets at beginning of period  | -                                  |
|      | Actual Return on Plan Assets  | -                                  |
|      | Contributions   | 5.16                               |
|      | Benefit Paid  | (5.16)                             |
|      | Fair Value of Plan Assets at end of period  | -                                  |
|      | Funded Status   | (183.70)                           |
|      | Excess of actual over estimated return on Plan Assets   | -                                  |
| V    | <b>Actuarial Gain/(Loss) Recognized</b>   |                                    |
|      | Actuarial Gain/(Loss) for the period (Obligation)   | (1.80)                             |
|      | Actuarial Gain/(Loss) for the period (Plan Assets)  | -                                  |
|      | Total Gain/(Loss) for the period  | (1.80)                             |
|      | Actuarial Gain/(Loss) recognized for the period   | (1.80)                             |
|      | Unrecognized Actuarial Gain/(Loss) at end of period   | -                                  |
| VI   | <b>Amounts to be recognized in the Balance Sheet and statement of Profit &amp; Loss Account</b> |                                    |
|      | PVO at end of period  | 183.70                             |
|      | Fair Value of Plan Assets at end of period  | -                                  |
|      | Funded Status   | (183.70)                           |
|      | Unrecognized Actuarial Gain/(Loss)  | -                                  |
|      | Net Asset/(Liability) recognized in the balance sheet   | (183.70)                           |
| VII  | <b>Expense recognized in the statement of P &amp; L A/C</b>                                     |                                    |
|      | Current Service Cost  | 10.01                              |
|      | Interest cost   | 12.77                              |
|      | Expected Return on Plan Assets  | -                                  |
|      | Net Actuarial (Gain)/Loss recognized for the period   | 1.80                               |
|      | Expense recognized in the statement of P & L A/C  | 24.58                              |
| VIII | <b>Movements in the Liability recognized in Balance Sheet</b>                                   |                                    |
|      | Opening Net Liability   | 164.27                             |
|      | Expenses as above   | 24.58                              |
|      | Contribution paid   | (5.16)                             |
|      | Closing Net Liability   | 183.70                             |



( ₹in Lacs)

|   | Valuation Date<br>31st March, 2016 |
|---|------------------------------------|
| <b>IX Experience Anyalisis - Liabilities</b>          |                                    |
| Actuarial (Gain)/Loss due to change in bases          | (1.61)                             |
| Experience (Gain) / Loss due to Change in Experience  | 3.41                               |
| Total   | 1.80                               |
| Experience Anyalisis - Plan Assets                    |                                    |
| Experience (Gain) / Loss due to Change in Plan Assets | -                                  |
| <b>X Schedule VI Details</b>                          |                                    |
| Current Liability                                     | 12.36                              |
| Non-Current Liability                                 | 171.33                             |

- 35 The amount of Excise Duty disclosed as deduction from turnover is the Excise duty for the year, except the excise duty related to the difference between the closing stock and opening stock and excise duty paid but not recovered, which has been disclosed in the ( Increase) / decrease in stock and the other expenses respectively. (Increase)/decrease in stock includes excise duty on finished goods (net) ₹62,52,806 ( Previous year ₹71,10,354)

### 36 NAME OF RELATED PARTIES AND RELATIONS

- |   |  |   |  |
|---|--|---|--|
| 1 | <b>(A) SUBSIDIARY COMPANY</b><br>a) Euro royal Floors Ltd. | <b>(B) ASSOCIATES CONCERN / TRUST</b><br>a) Natroyal Industries Pvt.Limited<br>b) Royal Spinwell Pvt Limited<br>c) Samsons Leather cloth Manufacturing Co.LLP<br>d) Royal Jerfeb Pvt Limited<br>e) Shreedaha Trading & Consultancy Services LLP<br>f) Shreeshaha Trading & Consultancy Services LLP<br>g) Bhaktavatsala Trading & Consultancy Services LLP<br>h) Trilokesh Trading & Consultancy Services LLP<br>i) Vishwamurthy Trading Consultancy Services LLP<br>j) Sumukh Trading & Cosultancy Services LLP<br>k) Lokwami Trading & Cosultancy Services LLP<br>l) Sahishnu Trading & Cosultancy Services LLP<br>m) Sughosh Trading & Cosultancy Services LLP<br>n) Trilokatma Trading & Cosultancy Services LLP<br>o) M.V.Trust Properties | <b>(C) KEY MANAGEMENT</b><br>a) Mahesh Kantilal Shah<br>b) Vinod Kantilal Shah |
|---|--|---|--|

2 RELATED PARTY TRANSACTIONS

(Amount in ₹)

| Sr. | Nature of transaction                 | 2015-16     |             |                          | 2014-15     |             |                          |
|-----|---------------------------------------|-------------|-------------|--------------------------|-------------|-------------|--------------------------|
|     |                                       | Subsidiary  | Associates  | Key Management Personnel | Subsidiary  | Associates  | Key Management Personnel |
| 1   | Sales of Finished Goods #             |             | 220,949,638 |                          | -           | 262,069,225 | -                        |
| 2   | Purchase of Raw materials #           |             | 478,188,389 |                          | -           | 518,517,937 | -                        |
| 3   | Remuneration                          |             |             | 1,441,167                | -           | -           | 1,385,552                |
| 4   | Advance for purchase of Assets        |             | 3,096,656   |                          | -           | 3,090,956   | -                        |
| 5   | Deposit given against Rented Property |             | 6,000,000   |                          | -           | 6,000,000   | -                        |
| 6   | Loan Received                         |             | 5,592,000   |                          | -           | 6,621,412   | -                        |
| 7   | Unclaimed liabilities written back    |             | -           |                          |             | 5,842,430   |                          |
| 8   | Repayment of Loan                     |             | 85,780,000  |                          | -           | 62,563,000  | -                        |
| 9   | Loan Payable                          |             | 125,295,727 |                          | -           | 205,483,727 | -                        |
| 10  | Trade Payable                         |             | 448,470,988 |                          | -           | 491,095,149 | -                        |
| 11  | Trade Receivable *                    | 233,375,543 | 12,361,943  |                          | 233,375,543 | 6,489,092   | -                        |

Disclosure in respect of material related parties transactions during the year

\* In respect of above parties, there is no provision for doubtful debts as on 31st March'2016 except ₹233,375,543 provided in respect of due by the Subsidiary Company in earlier year.

# Material/Goods sold to Natroyal Industries Pvt.Ltd. ₹220,949,638 (P.Y. ₹262,069,225)

# Material Purchase from Natroyal Industries Pvt.Ltd. ₹478,188,389 (P.Y. ₹518,517,973)

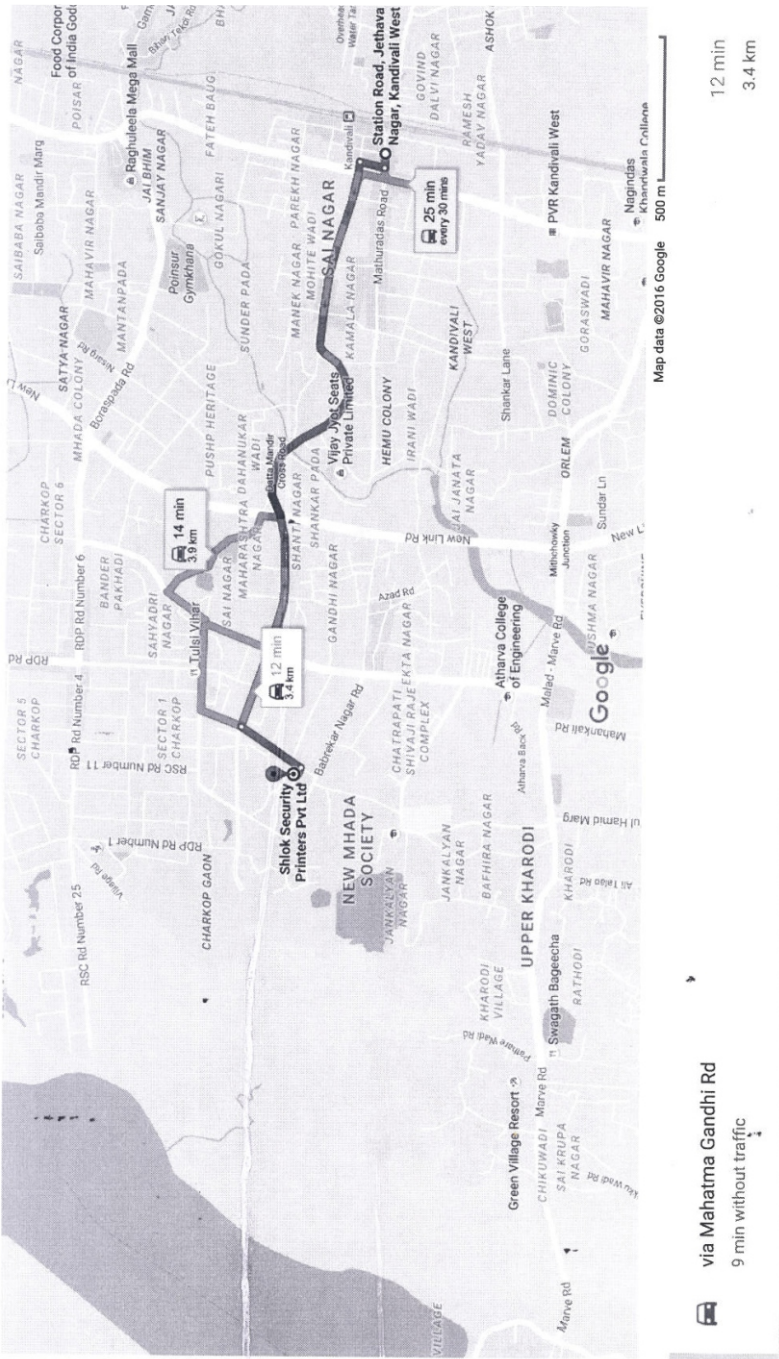
37 EARNING PER SHARE

(Amount in ₹)

| Particulars   | 2015-16      | 2014-15       |
|---|--------------|---------------|
| (a) Loss after tax available for equity shareholders                          | (64,090,833) | (152,465,295) |
| (b) Average number of Equity shares of ₹10/- each outstanding during the year | 12067212     | 12067212      |
| (c) Basic / Diluted Earnings per Share (₹) (a/b)                              | (5.31)       | (12.63)       |
| <b>38 CIF VALUE OF IMPORTS :</b>  |              |               |
| Raw Materials   | 135,070,561  | 156,030,740   |
| Stores & Spares   | 2,224,630    | 2,960,243     |
|   | 137,295,191  | 158,990,983   |
| <b>39 EXPENDITURE IN FOREIGN CURRENCY :</b><br>(on accrual basis)             |              |               |
| Stores & Spares   | 1,909,562    | 2,498,531     |
| Foreign Travel  | 431,162      | 333,436       |

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

# Route Map of AGM



From :

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

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

Dear Sir,

Sub :

Unit : **Royal Cushion Vinyl Products Limited**

Folio No. :

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

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

I request you to

☐ Change my new address as mentioned above

☐ There is no change in my address

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

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

## Annual Report 2015-2016

### ROYAL CUSHION VINYL PRODUCTS LTD

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

CIN No. : L24110MH1983PLC031395 • Web : www.rcvp.in

#### PROXY FORM - Form No. MGT - 11

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

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

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

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

as my/our proxy to vote for me/us on my/our behalf at the **32<sup>nd</sup> ANNUAL GENERAL MEETING** of the Company to be held on **Friday, the 30th September, 2016 at 12.30 p.m.** at 60 CD, Shlok, Govt. Ind. Estate, Charkop, Kandivali (West), Mumbai 400067 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Resolution   |
|----------------|--|
| 1              | Adoption of Financial Statements for the year ended 31st March, 2016.                              |
| 2              | Reappointment of Mr. Deepak Motasha, who retires by rotation.                                      |
| 3              | Reappointment of Ms. Kavita Bachwani, who retires by rotation.                                     |
| 4              | Re-appointment of Auditors and fixing their remuneration.  |
| 5              | Approval to enter into a contract with related party under section 188 of the Companies Act, 2013. |
| 6              | To reappoint Mr. Mahesh K. Shah as Managing Director of the Company.                               |
| 7              | To reappoint Mr. Vinod K. Shah as Whole Time Director of the Company.                              |

\_\_\_\_\_ day of \_\_\_\_\_ September, 2016

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

Notes:

#### Notes:

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

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

Re. 1/-  
Revenue  
Stamp

**ROYAL CUSHION VINYL PRODUCTS LTD**

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

**ATTENDANCE SLIP**

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

| <b>Name of the attending<br/>Member/Proxy (in Block Letters)</b> | <b>Membership Folio No</b>  |
|--|-----------------------------|
|  | <b>DPID No</b>              |
|  |                             |
|  | <b>Client ID No</b>         |
|  |                             |
|  | <b>Number of Share held</b> |
|  |                             |

I hereby record my presence at the **32nd Annual General Meeting of the Company being held on Friday, the 30th September, 2016 at 12.30 p.m.** at 60 CD, Shlok, Government Ind. Estate, Charkop, Kandivali (West), Mumbai 400 067.

---

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

**Book Post**

If undelivered return to :

**Royal Cushion Vinyl Products Limited**

(CIN No. - L24110MH1983PLC031395)

Registered Office : 60 CD, "Shlok" Govt. Ind. Estate, Charkop,  
Kandivali (West), Mumbai – 400 067 • [www.rcvp.in](http://www.rcvp.in)