

**Royal Cushion Vinyl Products Limited**

Cin no: L24110MH1983PLC031395

“Shlok” 60 – CD,

Govt. Industrial Estate, Charkop,

Kandivali (W), Mumbai – 400 067

Tel: + 91 22 32655828, 28603514, 16

Fax: + 91 22 28603565

Website: www.rcvp.in

September 26, 2017

To,  
The Secretary  
**Bombay Stock Exchange Ltd.**  
Corporate Relation Department  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building,  
Phiroze Jeejebhoy Towers,  
Mumbai 400 001.

**Scrip Code No. 526 193**

Dear Sir / Madam,

Sub: **Regulation 30 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, 33<sup>rd</sup> Annual General Meeting of the Company - concluded**

Pursuant to Regulation 30 read with Schedule III (Part A) (13) and any other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that 33<sup>rd</sup> Annual General Meeting (AGM) of the Members of the Company was held today i.e. Tuesday, September 26, 2017 at 12.30 p.m. at 2<sup>nd</sup> Floor, Conference Room, 60 CD, “SHLOK”, Govt. Industrial Estate, Charkop, Kandivali West, Mumbai- 400067 and it was commencement at 12.30 p.m. & concluded at 3.00 p.m.

The requisite quorum was present. The following options were provided by the Company to the Members to cast their votes:

1. Remote e-voting through platform of CDSL from September 23, 2017 from 9.00 a.m. to September 25, 2017 till 5.00 p.m.,
2. Physical Ballot/Poll Paper at the AGM

The Consolidated Scrutinizer’s Report and the results of voting through remote e-voting, Ballot/ Poll on the resolutions from Item no. 1 to 8 of the Notice of the 33<sup>rd</sup> AGM will be sent separately in the prescribed format under Regulation 44(3) of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information & records.

Thanking you,  
For **ROYAL CUSHION VINYL PRODUCTS LTD.**

Vinod Shah  
Whole Time Director  
00054667



Encl:- Annual Report-16-17

# ROYAL CUSHION VINYL PRODUCTS LIMITED

**33<sup>rd</sup>**

**ANNUAL REPORT 2016-17**

## Annual Report 2016-2017

### ROYAL CUSHION VINYL PRODUCTS LIMITED

(CIN No. - L24110MH1983PLC031395)

www.rcvp.in

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

#### AUDITORS

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

#### FINANCIAL INSTITUTION / BANKS

Axis Bank Ltd  
SICOM Ltd

#### WORKS

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

#### BOARD OF DIRECTORS

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

#### REGISTERED OFFICE

60 CD, Shlok Govt. Indus. Estate  
Charkop, Kandivali (West),  
Mumbai – 400 067  
Tel: 022 32655828, 022 28063514  
Fax No.: 022 28603565

#### REGISTRAR & TRANSFER AGENTS

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

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### NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 33rd **ANNUAL GENERAL MEETING** of the Members of **ROYAL CUSHION VINYL PRODUCTS LIMITED** will be held on Tuesday, the **26th September, 2017 at 12.30 p.m.** at the Conference Room, 2nd Floor, 60 CD "SHLOK", Govt. Industrial Estate, Charkop, Kandivali (West), Mumbai 400 067, to transact the following business:-

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Arvind V. Motasha (DIN –00228368) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Mukesh A. Motasha (DIN - 00059929) who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit to pass, with or without modifications, the following as an Ordinary Resolution:

**"RESOLVED THAT**, pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules framed there under, as amended from time to time, M/s. Bipin & Co, Chartered Accountants, Vadodara (Firm Registration no. 101509W) be and are hereby appointed as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of this Annual General Meeting (AGM) till the conclusion of 38th Annual General Meeting subject to ratification of their appointment at every AGM of the Company, if so required under the law for the time being in force, at such remuneration to be decided by the Board of Directors/Audit Committee of the Company in consultation with him."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts and take all such steps as may be considered necessary, proper or expedient to give effect to this resolution."

#### **SPECIAL BUSINESS:**

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

**"RESOLVED THAT** in supersession of the earlier resolutions and pursuant to section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant rules thereof, consent and approval of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time as they may think fit, any sum or sums of money not exceeding Rs. 500 Crores (Rupees Five Hundred Crores only) [including the money already borrowed by the Company] or the aggregate of the paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose at the relevant time, whichever is higher; on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company's assets and effects or properties whether moveable or immoveable, including stock-in-trade, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining un-discharged at any

given time, exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves.”

**“RESOLVED FURTHER THAT** in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby given to the Board of Directors of the Company or any committee thereof (“the Board”) for above mentioned purpose to create such charges, mortgages and hypothecations, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events in favour of Banks/ Financial Institutions, other investing agencies and trustees for the holders of debentures/ bonds/ other instruments to secure rupee/ foreign currency loans and/ or the issue of debentures whether partly/ fully/ non-convertible and / or securities linked to Ordinary shares and/ or bonds with share warrants attached or any other borrowings.”

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

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

**“RESOLVED THAT** pursuant to provisions of Regulation 23(4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force) (“LODR Regulations”) and the applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) (“the Act”) read with the Rules made there under and subject to such approvals, consents, permission and sanctions of the appropriate and/or concerned authorities or bodies as may be required, the approval of the Company be and is hereby accorded to the Board of Directors, to create a second charge on movable and immovable properties present and future of the Company, in favour of Natroyal Industries Private Limited, a 'Related Party' as defined under Section 2(76) of the Act and regulation 2(zb) of the LODR Regulations, under the Manufacturing support and supply Agreement entered between the Company and said Related party in the year 2012, on the terms and conditions as may be mutually agreed.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transactions with the said Related Party, and make such changes to the terms and conditions as may be considered necessary, expedient or desirable and execute such addendum agreements, documents and writings and to make such filings as may be necessary or desirable, in order to give effect to this resolution in the best interest of the Company.”

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

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

Regulations.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transactions with the Related Party(ies), and make such changes to the terms and conditions as may be considered necessary, expedient or desirable and execute such addendum agreements, documents and writings and to make such filings as may be necessary or desirable, in order to give effect to this resolution in the best interest of the Company.”

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

“**RESOLVED THAT** pursuant to provisions of Regulation 23(4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force) (“LODR Regulations”) and the applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) (“the Act”) read with the Rules made there under, the approval/ratification of Company be and is hereby accorded to the Board of Directors, for availing or rendering services; purchase or sale of goods or materials or taking or giving the property on lease, upto INR 110 Crores per annum with effect from 1st April, 2017, from/to Natroyal Industries Private Limited, a 'Related Party' as defined under Section 2(76) of the Act and regulation 2(zb) of the LODR Regulations, on the terms and conditions as may be mutually agreed.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transactions with the Related Party, and make such changes to the terms and conditions as may be considered necessary, expedient or desirable and execute such addendum agreements, documents and writings and to make such filings as may be necessary or desirable, in order to give effect to this resolution in the best interest of the Company.”

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

**Vinod K. Shah**  
Whole Time Director  
00054667

Place:-Mumbai,  
Date: 22nd August, 2017

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

### Notes :

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND & VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
- c. An Explanatory Statement under Section 102 of Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
- d. The Register of Members and Share Transfer books of the Company will remain closed from **Wednesday 20th September, 2017 to Tuesday, 26th September, 2017** (both days inclusive) for the purpose of Annual Book Closure.
- e. Members/ proxies should bring the attendance slips duly filled in for attending the meeting.
- f. In case of Joint Holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per Register of Members will be entitled to vote.
- g. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the Meeting.
- h. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to Universal Capital Securities Private Limited, Registrar and Share Transfer Agent of the Company.
- i. Members desiring any information on the Accounts are requested to write to the Company at least one week before the Meeting so as to enable the management to keep the information ready at the Meeting.
- j. Members 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, ShakhilNiwas, Mahakali Caves Road, Andheri (East), Mumbai 400 101. Tel No. 022 28257641, 022 28207203.**
- k. **VOTING THROUGH ELECTRONIC MEANS (E-VOTING):**
  1. In accordance with applicable provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013, read with Rule 20 of Companies (Management and Administration) Rules, 2014 as amended (the Rules), the Company is pleased to provide facility to its members, to cast their vote electronically for all the resolutions proposed at the

33rd Annual General Meeting of the Company. The Company has appointed Central Depository Services (India) Ltd. (CDSL) to provide remote e-voting facility to its members.

2. The voting right of shareholders shall be in proportion to one vote per fully paid equity share of the Company held by them as on the cut-off date September 19, 2017.
3. The voting period begins on Saturday, the 23<sup>rd</sup> day of September, 2017 at 9.00 a.m. and will end on Monday, the 25<sup>th</sup> day of September, 2017 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 19<sup>th</sup> September, 2017, 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 Saturday, the 23<sup>rd</sup> day of September, 2017 at 9.00 a.m. and will end on Monday, the 25<sup>th</sup> day of September, 2017 at 5.00 p.m. (both days inclusive). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) being 19<sup>th</sup> September, 2017 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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
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> <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 RA0000001 in the PAN field.</li> </ul>
DIVIDEND BANK DETAILS OR DATE OF BIRTH (DOB)	<p>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.</p> <p>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).</p>

(viii) After entering these details appropriately, click on “SUBMIT” tab.

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number (EVSN) for the relevant **Royal Cushion Vinyl Products Limited** on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the

Voting page.

(xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2017. 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, ShakilNiwas, MahakaliCaves Road, Andheri [East], Mumbai – 400 093, not later than Monday, September 25, 2017 (5.00 p.m.).

A Member can opt for only one mode of voting i.e. either through remote e-voting or by Ballot. If a

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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 within three (3) days of passing of the resolution at the AGM of the Company and communicated to the stock exchanges.

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

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

Particulars	Mr. Arvind V. Motasha	Mr. Mukesh A. Motasha
<b>DIN</b>	00228368	00059929
<b>Date of Birth</b>	20/08/1941	04/04/1955
<b>Qualification &amp; Experience</b>	Intermediate in Arts from Bombay University	Graduate in diploma textile Chemistry from Bombay University
<b>Expertise in specific functional area</b>	He has vast and varied experience in all functions of the Company including production, financial, commercial and allied areas	He has vast and varied experience in all functions of the Company including production, sales and marketing
<b>Relationship with other Directors, Manager and Key Managerial Personnel of the Company</b>	Nil	Brother of Mr. Jayesh Motasha and Mr. Deepak Motasha
<b>Directorship held in other companies</b>	No	No
<b>Membership / Chairmanships of Committees of other India Companies</b>	N.A.	N.A.
<b>No. of Shares held in the Company as in 31st March, 2017</b>	16,903 (including shares held jointly)	25,701 (including shares held jointly)

### 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. 4:

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s. Chandrakant & Sevantilal & J.K. Shah & Co., Chartered Accountants, retires as the Statutory Auditors of the Company after the conclusion of the ensuing Thirty Third Annual General Meeting.

In view of the above, the Board of Directors, on the recommendation of the Audit Committee, have in their meeting held on 22<sup>nd</sup> August, 2017, recommended the appointment of M/s. Bipin & Co, Chartered Accountants, Vadodara (Firm Registration no. 101509W), as the Statutory Auditors of the Company for a term of five years, i.e. from the conclusion of the ensuing Annual General Meeting until the conclusion of the 38<sup>th</sup> Annual General Meeting of the Company.

The 'Letter of Eligibility' issued by M/s. Bipin & Co, Chartered Accountants, Vadodara (Firm Registration no. 101509W), confirming that their eligibility for appointment as the Auditors of the Company under Section 141 of Companies Act 2013 and giving their consent to act as the Statutory Auditors of the Company for a term of five years, if so appointed, is available for inspection by the members, on all working days except Saturday during business hours, at the Registered Office of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the Resolutions.

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

#### Item No. 5:

The Members of the Company at the Annual General Meeting, held on 30<sup>th</sup> September, 2014, had approved by means of Special Resolution, the limits upto which the Company can borrow in excess of the aggregate paid-up capital and its free reserves, as per requirements of the Section 180(1)(c) of the Companies Act, 2013.

Now, the Company needs additional funds for supporting business operations. For this purpose, the Company is desirous of raising finance from lending institutions and/or Bodies Corporate and/or entities and/or such other persons/individuals as may be considered fit, which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital and free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits upto Rs. 500 crores (Rupees Five Hundred Crores only) and also to enable the Company under Section 180(1)(a) of the Companies Act, 2013 for creation/mortgages/hypothecations for the said purpose.

None of the Directors or Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the resolution.

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.

### Item No. 6:

In line with the conditions provided in Manufacturing Support and Supply Agreement (“Agreement”) between the Company and Natroyal Industries Private Limited (“Natroyal”) entered during year 2012, which states that in the event of termination of the Agreement, if any amounts are due to Natroyal and if the Company fails to pay the same within 5 (five) days of the date of termination of the Agreement then, the Company shall immediately create security for the amount payable in favour of Natroyal by way of creating a second charge on the assets of the Company which shall subsist till the time entire amount payable to Natroyal has been paid with interest at 18% per annum thereon as provided in the Agreement. Since, the Company is a sick company and not in a position to repay the amount payable to Natroyal, Natroyal has terminated the said agreement with effect from 10<sup>th</sup> July, 2017, hence it is necessary to create a security by way of second charge on the assets of the Company.

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

Name of Related Party	Natroyal Industries Private Limited
Name of the Director or Key Managerial Personnel who is related, if any	Mr. Mahesh Shah, Chairman and Managing Director Mr. Vinod Shah, Whole-time Director Mr. Mukesh Motasha, Director Mr. Jayesh Motasha, Director and Chief Financial Officer Mr. Deepak Motasha, Director Mr. Arvind Motasha, Director
Nature of Relationship	1. The above-mentioned Directors and their relatives are members in Natroyal Industries Private Limited. 2. The relatives of Mr. Mahesh Shah and Mr. Mukesh Motasha are Directors in Natroyal Industries Private Limited.
Material terms of the contracts / arrangements / transactions	Based on the obligation provided in the Agreement, the Company shall create a security for the amount payable to Natroyal in the event of termination of Agreement.
Monetary Value / Consideration	The creation of charge to provide a security by way of second charge for securing the amount payable to Natroyal for INR 11261 lakhs /- and accrued interest at 18% per annum till the time entire amount payable to Natroyal as per Agreement.
Other relevant information	N.A.

The copy of Agreement is made available for inspection by members at the registered office of the Company during the business hours of the Company on all working days except Saturday and Sunday till the date of Annual General Meeting.

Pursuant to the applicable provisions of the Companies Act, 2013 and the 23(4) of the SEBI (LODR) Regulations, Mr. Mahesh Shah, Chairman and Managing Director, Mr. Vinod Shah, Whole-time Director, Mr. Jayesh Shah, Director and Chief Financial Officer, Mr. Mukesh Motasha, Director, Mr. Deepak Motasha, Mr. Arvind Motasha and their relatives are deemed to be interested in the transaction to the extent of their shareholding since relative of Mr. Mahesh Shah and Mr. Mukesh Motasha are Directors and all the Directors mentioned herein along with their relatives are members in Natroyal Industries Private Limited.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives,

## Annual Report 2016-2017

are in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

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

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

### Item No. 7:

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

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

Name of Related Party(ies)	As mentioned in below table.
Name of the Director or Key Managerial Personnel who is related, if any	As mentioned in below table.
Nature of Relationship	As mentioned in below table.
Material terms of the contracts / arrangements / transactions	Availing or already availed financial assistance from the related parties
Monetary Value / Consideration	Maximum outstanding financial assistance upto INR [85 crores] including the existing outstanding financial assistance already availed.
Other relevant information	Interest rate on such financial assistance will not be exceeding 15% and as per prevailing rate in the market per annum and repayment of principal as may be decided between the parties.

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

Sr. No.	Name of Related Party	Name of interested Directors	Nature of relationship with Related party	Existing financial assistance availed (A) (Rs. in lakhs)	Proposed financial assistance to be availed (B) (Rs. in lakhs)	Total financial assistance (C) = (A)+(B) (Rs. in lakhs)
1	**Shreedaha Trading & Consultancy Services LLP	Mr. Mukesh Motasha Mr. Mahesh Shah Mr. Vinod Shah Mr. Jayesh Motasha	1. Mr. Mukesh Motasha and Mr. Deepak Motasha and his relative are Designated partners	4.81	Nil	4.81

## Annual Report 2016-2017

Sr. No.	Name of Related Party	Name of interested Directors	Nature of relationship with Related party	Existing financial assistance availed (A) (Rs. in lakhs)	Proposed financial assistance to be availed (B) (Rs. in lakhs)	Total financial assistance (C) = (A)+(B) (Rs. in lakhs)
1	**Shreedaha Trading & Consultancy Services LLP	Mr. Arvind Motasha Mr. Deepak Motasha	/ partners in Related Party. 2. Mr. Mahesh Shah, Mr. Vinod Shah, Mr. Jayesh Motasha, and Mr. Arvind Motasha are acting as nominee of partners in Related Party.			
2	**Trilokesh Trading & Consultancy Services LLP	Mr. Mahesh Shah & Mr. Vinod Shah	Mr. Mahesh Shah and Mr. Vinod Shah and their relatives are partners / Designated partners in Related party.	182.13		182.13
3	*Shreeshaha Trading & Consultancy Services LLP	Mr. Mahesh Shah & Mr. Vinod Shah	Mr. Mahesh Shah and Mr. Vinod Shah and their relatives are partners / Designated partners in Related party.	172.39		172.39
4	**Vishvamurthy Trading & Consultancy Services LLP	Mr. Arvind Motasha	Mr. Arvind Motasha and his relatives are Designated partners in Related party.	290.56		290.56
5	**Lokswami Trading & Consultancy Services LLP	Mr. Arvind Motasha Mr. Mahesh Shah Mr. Vinod Shah Mr. Jayesh Motasha Mr. Deepak Motasha	1. Mr. Arvind Shah and his relative are Designated partners in Related Party. 2. Mr. Mahesh Shah, Mr. Vinod Shah, Mr. Jayesh Motasha and Mr. Deepak Motasha or their relatives are acting as nominee of partners in Related Party.	113.25		113.25

## Annual Report 2016-2017

Sr. No.	Name of Related Party	Name of interested Directors	Nature of relationship with Related party	Existing financial assistance availed (A) (Rs. in lakhs)	Proposed financial assistance to be availed (B) (Rs. in lakhs)	Total financial assistance (C) = (A)+(B) (Rs. in lakhs)
6	**Bhaktavatsala Trading & Consultancy Services Llp	Mr. Mahesh Shah Mr. Vinod Shah Mr. Arvind Motasha Mr. Deepak Motasha Mr. Mukesh Motasha Mr. Jayesh Motasha	1. Mr. Mahesh Shah and his relative are Designated partners in Related Party. 2. Mr. Vinod Shah, Mr. Arvind Motasha, Mr. Deepak Motasha, Mr. Mukesh Motasha, Mr. Jayesh Motasha or their relatives acting as nominee of partners in Related Party.	70.41		70.41
7	**Sahishnu Trading & Consultancy Services Llp	Mr. Deepak Motasha Mr. Mahesh Shah Mr. Vinod Shah Mr. Arvind Motasha Mr. Mukesh Motasha Mr. Jayesh Motasha	1. Mr. Deepak Motasha and his relative are Designated partners in Related Party. 2. Mr. Mahesh Shah Mr. Vinod Shah Mr. Arvind Motasha Mr. Mukesh Motasha Mr. Jayesh Motasha or their relatives acting as nominee of partners in Related Party.	8.49		8.49
8	**Trilokatma Trading & Consultancy Services Llp	Mr. Vinod Shah Mr. Mahesh Shah Mr. Arvind Motasha Mr. Deepak Motasha Mr. Mukesh Motasha Mr. Jayesh Motasha	1. Mr. Vinod Shah and his relative are Designated partners in Related Party. 2. Mr. Mahesh Shah, Mr. Arvind Motasha, Mr. Deepak Motasha, Mr. Mukesh Motasha and Mr. Jayesh Motasha or their relatives acting as nominee of partners in Related Party.	77.43		77.43



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Sr. No.	Name of Related Party	Name of interested Directors	Nature of relationship with Related party	Existing financial assistance availed (A) (Rs. in lakhs)	Proposed financial assistance to be availed (B) (Rs. in lakhs)	Total financial assistance (C) = (A)+(B) (Rs. in lakhs)
9	**Sumukh Trading & Consultancy Services Llp	Mr. Mukesh Motasha, Mr. Jayesh Motasha, Mr. Deepak Motasha, Mr. Arvind Motasha	1. Mr. Mukesh Motasha and Mr. Jayesh Motasha and their relatives are Designated partners / partners in Related Party. 2. Mr. Deepak Motasha and his relative are partners in Related Party. 3. Mr. Arvind Motasha acting as nominee of partner in Related Party.	162.61		162.61
10	**Samsons Leathercloth Mfg Co Llp	Mr. Mahesh Shah, Mr. Vinod Shah, Mr. Arvind Motahsa, Mr. Jayesh Motasha, Mr. MukeshMotasha, Mr. Deepak Motasha	Mr. Mahesh Shah, Mr. Vinod Shah, Mr. Arvind Motasha, Mr. Jayesh Motasha and his relative, Mr. Mukesh Motasha and Mr. Deepak Motasha are partners in Related Party.	0.91		0.91
11	Deepak Motasha	Director	Director	0.85	1605.00	7417.00
12	Arvind Motasha	Director	Director	26.35		
13	Vinod K Shah	Director	Director	35.08		
14	Jayesh Motasha	Director	Director	0.82		
15	Mahesh Shah	Director	Director	42.42		
16	Mukesh Motasha	Director	Director	13.34		
17	Natroyal Industries Private Limited	Mr. Mahesh Shah, Mr. Vinod Shah, Mr. Mukesh Motasha, Mr. Jayesh Motasha, Mr. Deepak Motasha, Mr. Arvind Motasha.	1. Mr. Mahesh Shah, Mr. Vinod Shah, Mr. Mukesh Motasha, Mr. Jayesh Motasha, Mr. Deepak Motasha, Mr. Arvind Motasha and their relatives are	5693.14		

## Annual Report 2016-2017

Sr. No.	Name of Related Party	Name of interested Directors	Nature of relationship with Related party	Existing financial assistance availed (A) (Rs. in lakhs)	Proposed financial assistance to be availed (B) (Rs. in lakhs)	Total financial assistance (C) = (A)+(B) (Rs. in lakhs)
			members in Natroyal Industries Private Limited. 2. The relatives of Mr. Mahesh Shah and Mr. Mukesh Motasha are Directors in Natroyal Industries Private Limited.			

\*\* These are promoters group entities which has provided funding support asand when required by Company in past and these were private limited Companies. During the March' 2015 these Companies got converted into LLP. While above mentioned LLPs were Private Limited Companies, the present Designated Partners were Directors and partners were members in respective LLPs.

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

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

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

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

### Item No. 8:

Your Company while carrying out business activities may enter into the transactions with related parties as defined under the provisions of Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") for which the approval of members at general meeting requiredto be taken if the value of transactions including the value of transactions already entered exceeds threshold limit prescribed under the Act and/or Regulations. For abundant precaution, the Company proposed to avail the consent of the shareholders for entering into the transactions with related parties as detailed mentioned below.

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

## Annual Report 2016-2017

Name of Related Party	Natroyal Industries Private Limited					
Name of the Director or Key Managerial Personnel who is related, if any	Mr. Mahesh Shah, Chairman and Managing Director Mr. Vinod Shah, Whole-time Director Mr. Mukesh Motasha, Director Mr. Jayesh Motasha, Director and Chief Financial Officer Mr. Deepak Motasha, Director Mr. Arvind Motasha, Director					
Nature of Relationship	1. The above-mentioned Directors and their relatives are members in Natroyal Industries Private Limited.  2. The relatives of Mr. Mahesh Shah and Mr. Mukesh Motasha are Directors in Natroyal Industries Private Limited.					
Material terms of the contracts / arrangements / transactions (figures in lakhs)	(Rs. in lakhs)					
	Year	Sales/ services	Purchase/ services	Reimbursement of Expenses incurred by NIPL	Reimbursement of expenses incurred by company	Lease Rent income
	2016-17 (Actual)	2812	5297	315	153	8
2017-18 (Proposed)	Maximum 3550	Maximum 5720	Maximum 500	Maximum 200	Maximum 30	
Monetary Value / Consideration	As mentioned above					
Other relevant information	N.A.					

Pursuant to the applicable provisions of the Companies Act, 2013 and the 23(4) of the SEBI (LODR) Regulations, Mr. Mahesh Shah, Chairman and Managing Director, Mr. Vinod Shah, Whole-time Director, Mr. Jayesh Shah, Director and Chief Financial Officer, Mr. Mukesh Motasha, Director, Mr. Deepak Motasha, Mr. Arvind Motasha and their relatives are deemed to be interested in the transaction to the extent of their shareholding since relative of Mr. Mahesh Shah and Mr. Mukesh Motasha are Directors and all the Directors mentioned herein along with their relatives are members in Natroyal Industries Private Limited.

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

## Annual Report 2016-2017

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

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

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

**Vinod K. Shah**  
**Whole Time Director**  
00054667

Place: Mumbai  
Date: 22nd August, 2017

**Registered Office :**  
**Royal Cushion Vinyl Products Limited,**  
**Shlok, 60 CD, Govt. Industrial Estate,**  
**Charkop, Kandivli (West), Mumbai 400067.**  
**CIN No. – L24110MH1983PLC031395**  
**Website: [www.rcvp.in](http://www.rcvp.in)**

## Annual Report 2016-2017

### DIRECTORS' REPORT

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

Your Directors have pleasure in presenting the 33rd Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2017.

#### 1) Financial Results

Particulars	(Rs. In Lakhs)	
	Current year ended 31.03.2017	Previous year Ended 31.03.2016
Revenue from operations (Net)	6621.45	7475.34
Other Income	1197.80	17.76
<b>Total Income</b>	<b>7819.24</b>	<b>7493.10</b>
Total Expenditure	7525.36	7577.50
<b>Profit / (loss) before interest and depreciation</b>	<b>293.88</b>	<b>(84.40)</b>
Finance Cost	454.08	417.04
Depreciation	132.45	138.31
Prior year's expenses	3.74	1.16
<b>Profit/(Loss) before Exceptional item</b>	<b>(296.37)</b>	<b>(640.91)</b>
Exceptional item	Nil	Nil
<b>Profit/(Loss) for the year</b>	<b>(296.37)</b>	<b>(640.91)</b>

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

The Company has achieved turnover of Rs. 6621.45 Lakhs as against Rs. 7475.34 Lakhs in the previous year. The Company incurred a Net Loss of Rs.296.37Lakhs as compared to previous year's Net Loss of Rs.640.91 Lakhs. The performance for the current year is impacted due to demonetization during the month of November, 2017 and December, 2017.

#### 3) Dividend

In view of losses, the Board of Directors is unable to declare any dividend for the year 2016-2017.

#### 4) Status With BIFR/NCLT

The Company was registered as a sick company under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company had submitted the revised Draft Rehabilitation Scheme ("DRS") containing proposals for revival of the Company with the erstwhile Hon'ble Board for Industrial and Financial Reconstruction ("BIFR"). The Hon'ble BIFR had circulated the revised DRS for consideration of the concerned parties and other related proceedings were pending before the Hon'ble BIFR at an advanced stage of final approval. However, in the meantime, the Government of India notified certain provisions of the Insolvency and

Bankruptcy Code, 2016 ("IBC") w.e.f. December 1, 2016 which had the effect of abatement of the pending proceedings of the Company before the Hon'ble BIFR. Now, the said proceedings will be governed by the provisions of the newly notified IBC laws. The Company has filed an application before NCLT, Mumbai under IBC law on 29.05.2017.

### 5) **Management Discussion and Analysis Report**

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

### 6) **Fixed Deposits :**

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

### 7) **Corporate Social Responsibility**

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

### 8) **Energy, Technology & Foreign Exchange**

Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, information on conservation of energy, technology absorption, foreign exchange earnings and outgo is given in the Annexure – 'A' to this report.

### 9) **Personnel**

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

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

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

### 11) **Related Party Transactions**

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

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

The information required pursuant to section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company and Directors is

attached as Annexure "B".

### 13) Particulars of Employees

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, 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.

### 14) Directors

Mr. Arvind V. Motasha (DIN No. - 00228368) and Mr. Mukesh A. Motasha (DIN No. - 00059929), 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).

The Company was registered as a sick company under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. The Government of India notified certain provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC") w.e.f. December 1, 2016 which had the effect of abatement of the pending proceedings of the Company before the Hon'ble BIFR. Now, the said proceedings will be governed by the provisions of the newly notified IBC laws. The Company has filed an application before NCLT, Mumbai under IBC law on 29.05.2017. Due to this the management was unable to attract and induct any Independent Director. Hence no statement on declaration of independence was received by the Company.

### 15) Key Managerial Personnel

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

### 16) Directors' Responsibility Statement

Pursuant to the requirement under Section 134 (3) c of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a) that in the preparation of the Annual Accounts for the financial year ended 31st March, 2017 the applicable accounting standards/practices had been followed along with proper explanation relating to material departures; if any
- b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual financial statements have been prepared on a going concern basis.

- e) that the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**17) Material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2017 and August 22, 2017 (date of this Report).**

During the period between the end of financial year (March 31, 2017) and the date of this report (August 22, 2017), the Manufacturing and Supply Agreement between the Company and Natroyal Industries Private Limited ("Natroyal") was terminated w.e.f. 10th July, 2017. Subsequent to which the Company has to repay the outstanding amount of Natroyal within 5 days from the date of termination of Agreement. The Company was not in a position to repay the outstanding amount within the stipulated period as per Agreement, hence the Company need to create security for the amount payable in favour of Natroyal by way of creating a second charge on the assets of the Company for which necessary resolution proposed in the Notice for ensuing Annual General meeting. The said security shall subsist till the entire amount payable to Natroyal has been paid along with interest thereon at 18% per annum.

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

The Company was registered as a sick company under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 and the proceedings were pending before the Hon'ble Board for Industrial and Financial Reconstruction ("BIFR"). The Last hearing at BIFR was held on November 22, 2016. Thereafter, the Government of India has notified certain provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC") w.e.f. December 1, 2016 which had the effect of abatement of the pending proceedings of the Company before the Hon'ble BIFR. Now, the said proceedings will be governed by the provisions of the newly notified IBC laws. The Company has filed an application before NCLT, Mumbai under IBC law on 29.05.2017. However, there are no material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

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

The Company has no subsidiaries/Joint venture/Associate Company incorporated or ceased in the year 2016-17.

**20) Internal financial control**

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

**21) Auditors' Remarks & Appointment**

As per the provisions of section 139 of the Companies Act, 2013 **M/s. Chandrakant & Sevantilal & J. K. Shah & Co., Chartered Accountants, Vadodara (Firm Registration no. 101676W)**, the Statutory Auditors, of the Company will retire at the ensuing Annual General Meeting.

The Board of Directors places on record its appreciation for the services rendered by **M/s. Chandrakant &**



**Sevantilal & J. K. Shah & Co., Chartered Accountants**, as the Statutory Auditors of the Company.

The Board of Directors of the Company on the recommendation of the Audit Committee has recommended the appointment of M/s. Bipin & Co, Chartered Accountants, Vadodara (Firm Registration no. 101509W) of the Company w.e.f. the date of the 33rdAGM upto the Annual General Meeting to be held in the year 2022. The Company has received letter from them to the effect that their appointment, if made, would be within prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for appointment. The members are requested to appoint the auditors and authorize the Board to fix their remuneration.

Auditors Report:

The notes forming parts of the accounts referred in the Auditors Report are self explanatory and give complete information.

### 22) 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 2016-17 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 2016-17 as the turnover of the Company from these services is below the threshold limit prescribed in the said Rules for cost audit.

### 23) Secretarial Auditor and Auditor Remarks:

Pursuant to the provisions of Section 204 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Board has appointed 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 2016-2017.

**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 was under BIFR (Sick Company), As the Company was under BIFR (Sick Company) and the Government of India notified certain provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC") w.e.f. December 1, 2016 which had the effect of abatement of the pending proceedings of the Company before the Hon'ble BIFR. Now, the said proceedings will be governed by the provisions of the newly notified IBC laws. The Company has filed an application before NCLT, Mumbai under IBC law on 29.05.2017. Due to this the management was unable to attract and induct any Independent Director., the management was unable to

attract and induct Professional and Independent Directors to meet the requirements of Regulation 36(3) of SEBI LODR. This fact has been reported to the Bombay Stock Exchange from time to time.

It is observed that as per the management representation letter given by the company that they have already submitted delisting application to Ahmedabad stock exchange and Vadodara stock exchange in the year 2006 & the same matter is pending with both the exchanges. The Secretarial Audit Report for the financial year 2016-2017 is annexed herewith as Annexure "C" which forms part of the Board's report.

### **24) 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.

### **25) Share Capital:**

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

### **26) 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".

### **27) 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).

### **28) Board of Directors Meeting:**

During the financial year ended 31st March, 2017, the Company held four (04) 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 27th May, 2016, 10th August, 2016, 14th November, 2016 and 06th February, 2017. The details of the Board Meetings are provided in the Corporate Governance Report.

### **29) 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.

### **30) 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).

### **31) 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.

### **32) 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.

### **33) Corporate Governance Certificate:**

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

### **34) Performance Evaluation of Board and Independent Directors.**

Pursuant to the applicable provisions of the Companies Act, 2013, Listing Agreement and LODR Regulations, the Board has carried out the annual performance evaluation. The Board has evaluated performance of all the Directors and expressed its satisfaction. Evaluation procedure covered Board's functioning such as adequacy of the size and composition of the Board and its Committees to ensure diversity and adequate skills in the best interest of the Company as a whole. The Company was registered as a sick company under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. The Government of India notified certain provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC") w.e.f. December 1, 2016 which had the effect of abatement of the pending proceedings of the Company before the Hon'ble BIFR. Now, the said proceedings will be governed by the provisions of the newly notified IBC laws. The Company has filed an application before NCLT, Mumbai under IBC law on 29.05.2017. Due to this the management was unable to attract and induct any Independent Director., 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.

### 35) 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.

### 36) Acknowledgement

The Directors wish to place on record their appreciation for the co-operation and support received from Financial Institutions, Banks, BIFR, NCLT, 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: 22nd August, 2017

**Sd/-**  
**Vinod Shah**  
Whole Time Director  
(DIN 00054667)

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

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

### 1) CONSERVATION OF ENERGY

#### a. Energy Conservation Measure Taken:

1. During peak hour to peak off hour some motors switch off.(saving 20-25 thousand/month)
2. Installed vfd for boiler ID and FD fan.(saving 10000/month)
3. Some capacitor added to maintain PF 0.99.(saving 5000/month)
4. Some street light and plant tube light replaced by LEDS.(saving approx.2500/month)

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

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

#### A) New Product: -

- Ecoplus as per ECE R 118 for Volvo.
- Mirakle as per GB 18586 (Toxic free product).
- Suprema Aqua Range R 11.
- Royal Tiger

B) Specific areas in which R & D has been carried out by the Company: Various new products to meet the international quality standards.

C) Benefits derived as a result of R & D: These products are developed in various designs and colours.

D) Future Plans

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

### 3) FOREIGN EXCHANGE EARNING AND OUTGO:

(Rs. in Lacs)

Sr. No.	Particulars	Current year ended on 31.03.2017	Current year ended on 31.03.2016
1	Fob Value of Export	Nil	Nil
2	Foreign exchange outgo:		
	Import of Raw material	1531.41	1350.71
	Stores & Spares	72.10	19.09
	Foreign Travels	15.15	4.31

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

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

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

Sr. No	Name	Designation	Remuneration paid for FY 2016-17	Remuneration paid for FY 2015-16	% increase in remuneration in the FY 2016-17	Ratio/ Times per median of employee remuneration
1.	Mahesh Shah	Chairman & Managing Director	450000	450000	Nil	2.41:1
2.	Vinod Shah	Whole Time Director	444000	444000	Nil	2.38:1
3.	Kavita Bachwani	Director	797076	493983 (for 9 months)	21.01%	4.27:1

- ii) Percentage increase in median remuneration

Median remuneration of employees in FY 2016-17 in Rs.	Median remuneration of employees in F-Y 2015-16 in Rs.	Percentage increase/(decrease)
186,540	169,494	10.06

- iii) No. of permanent employees as on 31.03.2017 : 191
- iv) Comparison between average percentile increase in salaries of employees (excluding managerial personnel) and percentile increase in managerial remuneration.

Average percentile increase in salaries of employees other than managerial personnel in FY 2016-17	Percentile increase in managerial personnel remuneration in FY 2016-17	Justification
4.72%	5.86%	--

- v) This is to affirm that the above remuneration is paid as per the Remuneration Policy of the Company: - YES  
However, Rule 5(2) and 5(3) of the section 197 of the Companies Act, 2013 is not applicable.

**Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and  
Remuneration Personnel) Rules, 2014]**

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 31st March 2017 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 31st March 2017 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. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
6. The Payment of Bonus Act, 1965
7. The Payment of Gratuity Act, 1972
8. 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 was under BIFR (Sick Company). The Government of India notified certain provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC") w.e.f. December 1, 2016 which had the effect of abatement of the pending proceedings of the Company before the Hon'ble BIFR. Now, the said proceedings will be governed by the provisions of the newly notified IBC laws. The Company has filed an application before NCLT, Mumbai under IBC law on 29.05.2017. Due to this the management was unable to attract and the induct Professional and Independent Directors to meet the requirements of Clause 49 of the Listing agreement. This fact has been reported to the Bombay Stock Exchange from time to time.

*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



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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.

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: 22.08.2017

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, 2017**  
**[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014**

**FORM NO. MGT-9**

**I REGISTRATION AND OTHER DETAILS:**

- i) CIN: **L24110MH1983PLC031395**
- ii) Registration Date: **21st November, 1983**
- iii) Name of the Company: **Royal Cushion Vinyl Products Limited**
- iv) Category/ Sub-Category of the Company: **Public Company**
- v) Address of the Registered Office and contact details:
- 60CD, SHLOK, Government Ind. Estate  
Charkop, Kandivali (W), Mumbai- 400 067.  
Website:- www.rcvp.in  
E-mail: legalho83@gmail.com
- vi) Whether listed company: Yes, listed on BSE
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:

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

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

<b>Sr. No.</b>	<b>Name and Description of main products/ services</b>	<b>NIC Code of the Product/ service</b>	<b>% to total turnover of the company</b>
1.	PVC Laminated Sheets	39209929	99.041%

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

The Company has no subsidiaries/Joint venture/Associate Company incorporated or ceased in the year 2016-17.

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

### I) Category- wise Share Holding

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoters									
1	Indian									
(a)	Individuals/ Hindu Undivided Family	393678	2300	395978	3.28	393678	2300	395978	3.28	0.00
(b)	Central Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Bodies Corporate	3271857	872393	4144250	34.34	3580190	564060	4144250	34.34	0.00
(e)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Others(Specify)									
	Sub Total(A)(1)	3665535	874693	4540228	37.62	3973868	566360	4540228	37.62	0.00
2	Foreign									
a	NRIs - Individuals			0	0.00			0	0.00	0.00
b	Other Individuals			0	0.00			0	0.00	0.00
c	Bodies Corporate	0.00	2880000	2880000	23.87	0.00	2880000	2880000	23.87	0.00
d	Banks / FI			0	0.00			0	0.00	0.00
e	Any Others (Specify)									
	Sub Total(A)(2)	0	2880000	2880000	23.87	0	2880000	2880000	23.87	0.00
	Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	3665535	3754693	7420228	61.49	3973868	3446360	7420228	61.49	0.00
(B)	Public shareholding									
1	Institutions									
(a)	Mutual Funds	0	5300	5300	0.04	0	5300	5300	0.04	0.00
(b)	Banks / FI	1271289	1730	1273019	10.55	1236689	1730	1238419	10.26	-0.29
(c)	Central Govt(s)			0	0.00		0	0	0.00	0.00
(d)	State Govt(s)			0	0.00		0	0	0.00	0.00
(e)	Venture Capital Funds			0	0.00		0	0	0.00	0.00
(f)	Insurance Companies			0	0.00		0	0	0.00	0.00
(g)	FIs	0	0	0	0.00		0	0	0.00	0.00

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Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(h)	Foreign Venture Capital Funds			0	0.00			0	0.00	0.00
(i)	Any Other (specify)									
	<b>Sub-Total (B)(1)</b>	<b>1271289</b>	<b>7030</b>	<b>1278319</b>	<b>10.59</b>	<b>1236689</b>	<b>7030</b>	<b>1243719</b>	<b>10.31</b>	<b>-0.29</b>
<b>B 2</b>	<b>Non-institutions</b>									
(a)	Bodies Corporate									
(i)	Indian	550610	19220	569830	4.72	382076	19220	401296	3.33	-1.40
(ii)	Overseas			0	0.00			0	0.00	0.00
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital up to Rs 1 lakh	1036364	318205	1354569	11.23	1036505	316255	1352760	11.21	-0.01
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	1374306	0	1374306	11.39	1565404	0	1565404	12.97	1.58
(c)	Others (specify)									
(i)	Clearing Members	23360	0	23360	0.19	36271	0	36271	0.30	0.11
(ii)	Trusts			0	0.00			0	0.00	0.00
(iii)	NRI / OCBs	1750	44850	46600	0.39	2550	44850	47400	0.39	0.01
(iv)	Foreign Nationals			0	0.00	134		134	0.00	0.00
(v)	Foreign Corporate Body			0	0.00			0	0.00	0.00
	<b>Sub-Total (B)(2)</b>	<b>2986390</b>	<b>382275</b>	<b>3368665</b>	<b>27.92</b>	<b>3022940</b>	<b>380325</b>	<b>3403265</b>	<b>28.20</b>	<b>0.29</b>
<b>(B)</b>	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>4257679</b>	<b>389305</b>	<b>4646984</b>	<b>38.51</b>	<b>4259629</b>	<b>387355</b>	<b>4646984</b>	<b>38.51</b>	<b>0.00</b>
	<b>TOTAL (A)+(B)</b>	<b>7923214</b>	<b>4143998</b>	<b>12067212</b>	<b>100.00</b>	<b>8233497</b>	<b>3833715</b>	<b>12067212</b>	<b>100.00</b>	<b>0.00</b>
<b>(C)</b>	<b>Shares held by Custodians for GDRs &amp; ADRs</b>								<b>0.00</b>	<b>0.00</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>7923214</b>	<b>4143998</b>	<b>12067212</b>	<b>100.00</b>	<b>8233497</b>	<b>3833715</b>	<b>12067212</b>	<b>100.00</b>	<b>0.00</b>

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged /encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged /encumbered to total shares	
1	Anuradha Jayesh Jhaveri	28000	0.23	0.00	28000	0.23	0.00	0.00
2	Anuradha Arvind Motasha	1000	0.01	0.00	1000	0.01	0.00	0.00
3	Arvind Vadilal Motasha	16903	0.14	0.00	16903	0.14	0.00	0.00
4	Bhavana Mukesh Motasha	40822	0.34	0.00	40822	0.34	0.00	0.00
5	Deepak Motasha	26701	0.22	0.00	26701	0.22	0.00	0.00
6	Dipti Jayesh Motasha	1051	0.01	0.00	1051	0.01	0.00	0.00
7	Hansa Arvind Motasha	27600	0.23	0.00	27600	0.23	0.00	0.00
8	Jayashree M Shah	400	0.00	0.00	400	0.00	0.00	0.00
9	Jayesh A Motasha	26800	0.22	0.00	26800	0.22	0.00	0.00
10	Mahesh Kantilal Shah	39150	0.32	0.00	39150	0.32	0.00	0.00
11	Meena Vinod Shah	69000	0.57	0.00	69000	0.57	0.00	0.00
12	Mukesh Amrutlal Motasha	25701	0.21	0.00	25701	0.21	0.00	0.00
13	Rohini Mahesh Shah	500	0.00	0.00	500	0.00	0.00	0.00
14	Sushilaben K Shah	18550	0.15	0.00	18550	0.15	0.00	0.00
15	Suvrat Mahesh Shah	12300	0.10	0.00	12300	0.10	0.00	0.00
16	Sweta Deepak Motasha	300	0.00	0.00	300	0.00	0.00	0.00
17	Varun Jayesh Motasha	19800	0.16	0.00	19800	0.16	0.00	0.00
18	Vinod Kantilal Shah	41400	0.34	0.00	41400	0.34	0.00	0.00
19	Bhaktavatsala Trading & Con Ser LLP	890360	7.38	73.98	890360	7.38	73.98	0.00
20	Lokswami Trading & Con Ser LLP	345300	2.86	98.99	345300	2.86	74.85	0.00
21	Sahishnu Trading & Con Ser LLP	639490	5.30	100.00	639490	5.30	88.27	0.00
22	Shreedaha Trading & Con Ser LLP	639450	5.30	71.82	639450	5.30	60.09	0.00

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Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in share holding 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	
23	Shreeshaha Trading & Con Ser LLP	300	0.00	0.00	300	0.00	0.00	0.00
24	Sughosh Trading & Con Ser LLP	639460	5.30	71.82	639460	5.30	60.09	0.00
25	Suhruda Trading & Con Ser LLP	300	0.00	0.00	300	0.00	0.00	0.00
26	Sumukh Trading & Con Ser LLP	44970	0.37	0.00	44970	0.37	0.00	0.00
27	Trilokatma Trading & Con Ser LLP	890360	7.38	74.91	890360	7.38	74.91	0.00
28	Trilokesh Trading & Con Ser LLP	45690	0.38	0.00	45690	0.38	0.00	0.00
29	Vishvamurti Trading & Con Ser LLP	8570	0.07	0.00	8570	0.07	0.00	0.00
30	Lapada (Mauritius) Limited	2880000	23.87	0.00	2880000	23.87	0.00	0.00
	Total	7420228	61.49	43.47	7420228	61.49	39.31	0.00

### (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			

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

Sl. No.	Name of the shareholder	Shareholding at the beginning of the year			Cumulative Shareholding during the end of year	
		At the beginning of 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		
	03-03-2017	Transfer	-10000	-0.08	286089	2.37
	10-03-2017	Transfer	-24600	-0.20	261489	2.17
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		148794	1.23		
	24-02-2017	Transfer	-1400	-0.01	147394	1.22
	03-03-2017	Transfer	-34800	-0.29	112594	0.93
	10-03-2017	Transfer	-18650	-0.15	93944	0.78
	17-03-2017	Transfer	-18500	-0.15	75444	0.63
	24-03-2017	Transfer	-14444	-0.12	61000	0.51
	31-03-2017	Transfer	-21000	-0.17	40000	0.33
7	Union Bank of India		114400	0.95	114400	0.95
8	Rajeshri Ketan Shah		110326	0.91	110326	0.91
9	Dipti D. Shah		100000	0.83	100000	0.83
10	Ketan Bhanuchandra Mehta		91065	0.75		
	29-04-2016	Transfer	-1	0.00	91064	0.75
	06-05-2016	Transfer	-4130	-0.03	86934	0.72
	13-05-2016	Transfer	-2107	-0.02	84827	0.70
	20-05-2016	Transfer	-400	0.00	84427	0.70
	27-05-2016	Transfer	-900	-0.01	83527	0.69
	24-06-2016	Transfer	-601	0.00	82926	0.69
	08-07-2016	Transfer	-1051	-0.01	81875	0.68
	15-07-2016	Transfer	-300	0.00	81575	0.68
	29-07-2016	Transfer	-1630	-0.01	79945	0.66
	05-08-2016	Transfer	-672	-0.01	79273	0.66

## Annual Report 2016-2017

Sl. No.	Name of the shareholder	Shareholding at the beginning of the year			Cumulative Shareholding during the end of year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year					
	12-08-2016	Transfer	-650	-0.01	78623	0.65
	19-08-2016	Transfer	-1	0.00	78622	0.65
	09-09-2016	Transfer	-2646	-0.02	75976	0.63
	30-09-2016	Transfer	-1	0.00	75975	0.63
	04-11-2016	Transfer	-380	0.00	75595	0.63
	11-11-2016	Transfer	-950	-0.01	74645	0.62
	02-12-2016	Transfer	-10	0.00	74635	0.62
	09-12-2016	Transfer	-8	0.00	74627	0.62
	16-12-2016	Transfer	-2024	-0.02	72603	0.60
	23-12-2016	Transfer	-441	0.00	72162	0.60
	31-12-2016	Transfer	-1001	-0.01	71161	0.59
	06-01-2017	Transfer	-350	0.00	70811	0.59
11	BJD Securities Pvt Ltd		15284	0.13		
	24-02-2017	Transfer	2000	0.02	17284	0.14
	03-03-2017	Transfer	48097	0.40	65381	0.54
	10-03-2017	Transfer	46321	0.38	111702	0.93
	17-03-2017	Transfer	11025	0.09	122727	1.02
	24-03-2017	Transfer	11119	0.09	133846	1.11
	31-03-2017	Transfer	29364	0.24	163210	1.35
12	Bharat Jamnadas Dattani		43500	0.36		
	03-03-2017	Transfer	10200	0.08	53700	0.45
	10-03-2017	Transfer	67543	0.56	121243	1.00
	17-03-2017	Transfer	2775	0.02	124018	1.03
	24-03-2017	Transfer	11025	0.09	135043	1.12



(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Category	Shareholding at the beginning of the year		Shareholding at the end of the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total Shares of the Company
1	Mr. Mahesh K. Shah	Chairman & Managing Director				
	At the beginning of the year		39150	0.32	39150	0.32
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)					
	At the End of the year		39150	0.32	39150	0.32
2	Mr. Vinod Shah	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
3	Mr. Jayesh Motasha	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
4	Mr. Mukesh Motasha	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)		-	-	-	-

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Sr. No.	For Each of the Directors and KMP	Category	Shareholding at the beginning of the year		Shareholding at the end of the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total Shares of the Company
	At the End of the year		25701	0.21	25701	0.21
5	Mr. Arvind Motasha	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
6	Mr. Deepak Motasha	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
7	Ms. Kavita Bachwani	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) Shareholding of Directors and Key Managerial Personnel:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning 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

**V INDEBTEDNESS**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Total (i+ii+iii)	26,003.65	11,690.72	-	37,694.37
Change in Indebtedness during the financial year				
• Addition	1.25	163.91	-	165.16
• Reduction	890.51	312.99	-	1203.50
Net Change	-889.26	-149.09	-	-1038.34
Indebtedness at the end of the financial year				
i) Principal Amount	7767.30	9548.93	-	17316.23
ii) Interest due but not paid	17347.09	1992.71	-	19339.80
iii) Interest accrued but not due				
Total ( i+ ii+ iii)	25114.40	11541.63	-	36656.03

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sr	Particulars of Remuneration	Mr.Mahesh Shah Managing Director	Mr.Vinod Shah- Whole Time Director	Ms. Kavita Bachwani - Director	Mr. Jayesh Motasha (Director and CFO)
1	Gross Salary				
	(a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	450000	444000	797076	-
	(b) Value of perquisites u/s. 17 (2) Income-tax Act, 1961	338724	256350	----	--
	(c) Profits in lieu of Salary under section 17 (3) Income – tax Act, 1961	-	-		-
2	Stock Option	-	-		-
3	Sweat Equity	-	-		-
4	Commission				
	- as % of profit				
	- Others, specify	-	-		-
5	Others, please specify	-	-		-
	Total (A)	788724	700350	797076	-
	Ceiling as per the Act	As per Schedule V of Companies Act, 2013			

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

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

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

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### INDUSTRY STRUCTURE AND DEVELOPMENT:

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

#### OPPORTUNITIES AND THREATS:

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

#### SEGMENT WISE OR PRODUCT WISE PERFORMANCE:

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

#### OUTLOOK:

With the introduction of high value added products 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 31st March, 2017 stood at 191.

#### CAUTIONARY STATEMENT:

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

## REPORT ON CORPORATE GOVERNANCE

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

The Corporate Governance Report for the year under review from 1st April, 2016 to 31st March, 2017

### 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 stakeholders, 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 31st March, 2017 the Board comprises four **Executive Directors and three Non-Executive Directors**. During the year 2016-2017 the Board met 4 times on the following dates, namely 27th May, 2016, 10th August, 2016, 14th November, 2016 and 06th February, 2017.

Sr. No.	Name of the Director	Category of Director	No. of Board Meeting attended	Attended Last AGM	No. of Directorships held in other Indian Public Limited Companies#	Sitting Fees	No. of Committee* Positions held in other Indian Public Limited Companies- Chairman##	No. of Committee* Positions held in other Indian Public Limited Companies- Member##	Inter-se Relationship
							As prescribed in the explanation under Regulation 26 (1) of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015		
1.	Mr. Mahesh K. Shah	Executive Director Promoter	4	No	–	Nil	Nil	Nil	Brother of Mr. Vinod K. Shah
2.	Mr. Vinod K. Shah	Executive Director Promoter	4	Yes	–	Nil	Nil	Nil	Brother of Mr. Mahesh K. Shah
3.	Mr. Vinod K. Shah	Executive Director Promoter	4	Yes	–	Nil	Nil	Nil	Brother of Mr. Mahesh K. Shah
4.	Mr. Deepak A. Motasha	Non -Executive Director Promoter	3	Yes	–	Nil	Nil	Nil	Brother of Mr. Jayesh and Mr. Mukesh A. Motasha

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5.	Mr. Mukesh A. Motasha	Non-Executive Director Promoter	4	Yes	–	Nil	Nil	Nil	Brother of Mr. Jayesh and Mr. Deepak A. Motasha
6.	Mr. Jayesh A. Motasha	Executive Director Promoter & CFO	4	Yes	–	Nil	Nil	Nil	Brother of Mr. Deepak and Mr. Mukesh A. Motasha
7.	Ms. Kavita Bachwani	Executive Director	4	---	---	---	---	---	

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

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

**The Company was registered as a sick company under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. The Government of India notified certain provisions of the Insolvency and Bankruptcy Code, 2016 (“IBC”) w.e.f. December 1, 2016 which had the effect of abatement of the pending proceedings of the Company before the Hon'ble BIFR. Now, the said proceedings will be governed by the provisions of the newly notified IBC laws. The Company has filed an application before NCLT, Mumbai under IBC law on 29.05.2017. However, 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 2016-2017, the Audit Committee held Four meetings 27th May, 2016, 10th August, 2016, 14th November, 2016 and 06th February, 2017. 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	3
2.	Mr. Mukesh A. Motasha – Member	4
3.	**Mr. Arvind V. Motasha - Member	3
4.	**Ms. Kavita Bachwani - Member	-

\*\*Ms. Kavita Bachwani was appointed on 06-02-2017 in place of Mr. Arvind Motasha.

### 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.

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

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

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

The composition of the Stakeholder Relationship Committee is as follows:

- a) **Composition:** The Committee comprises 3 Non-Executive Directors of the Company. During the year it held 4 meetings 30th June, 2016, 30th September, 2016, 30th December, 2016 and 31st March, 2017.

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

The Company has acted upon all valid share transfer requests received during the year 2016- 2017. No request for transfer and dematerialisation were pending as on 31st March, 2017.

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 31.03.2017	NIL
Number of Share Transfer pending for approval as at 31.03.2017	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. 05/08/2016.

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.

### 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	2013-2014	2014-2015	2015-2016
Date	30.09.2014	30.09.2015	30.09.2016
Time	3.00 p.m.	12.30 p.m.	12.30 p.m.
Venue	Company's Registered Office at 60 CD, Shlok, Govt. Ind. Estate, Charkop, Kandivli (West), Mumbai 400 067.	Company's Registered Office at 60 CD, Shlok, Govt. Ind. Estate, Charkop, Kandivli (West), Mumbai 400 067.	Company's Registered Office at 60 CD, Shlok, Govt. Ind. Estate, Charkop, Kandivli (West), Mumbai 400 067.

Mr. Mahesh Shah, Managing Director is Compliance Officer.

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

AGM held on	Special Resolution passed	Summary
30/09/2014	Yes	a) Re-appointment of Mr. Mahesh K Shah as Managing Director. b) Re-appointment of Mr. Vinod K Shah as Whole Time Director. c) Approval of borrowing money upto Rs. 150 crores. d) Approval of creation of charge/ security over the assets of the Company in respect of borrowings. e) Approval to enter into a contract with related party. f) Approval to invest/ acquire the securities upto Rs. 5 crores.
30/09/2015	Yes	a) Approval to enter into a contract with related party under section 188 of the Companies Act, 2013. b) Appointment of Ms. Kavita Bachwani as a Director of the Company, as she was appointed Additional Director on 30th June, 2015. c) Appointment of Mr. Jayesh A Motasha as an Executive Director and Chief Financial Officer of the Company. d) Adoption of new set of Articles of Association in substitution and in place of the existing Articles of Association of the Company.
30/09/2016	Yes	a) Approval to enter into a contract with related party under section 188 of the Companies Act, 2013. b) Re-appointment of Mr. Mahesh Shah as Managing Director. c) Re-appointment of Mr. Vinod Shah as Whole Time Director.



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. 35, 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 was BIFR (Sick Company). The Government of India notified certain provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC") w.e.f. December 1, 2016 which had the effect of abatement of the pending proceedings of the Company before the Hon'ble BIFR. Now, the said proceedings will be governed by the provisions of the newly notified IBC laws. The Company has filed an application before NCLT, Mumbai under IBC law on 29.05.2017. However, the management was unable to attract and induct Professional and Independent Directors to meet the requirements of Regulation 36 (3) of the SEBI, LODR. Consequently, there were no strictures or penalties imposed either by SEBI or the Stock Exchange or any statutory body/authority for non-compliance of any matter related to the capital markets **no penalties/strictures have been imposed against the Company by Stock Exchange or SEBI or any statutory authority during the last three years.**

**d) Whistle Blower Policy:**

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the audit committee. The Whistleblower Policy is available on our website: [www.rcvp.in](http://www.rcvp.in).

**e) Disclosures on Risk Management:**

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

**OTHER DISCLOSURES:**

- i. Material significant related party transactions which may have potential conflict with the interests of the Company at large: **-(NO)**

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

### 9. MEANS OF COMMUNICATION

The quarterly and half yearly unaudited and annual audited financial results were published in 'Mint' in English and 'Mahanayak Express' in Marathi (regional language). The quarterly financial results, shareholding pattern, reports on compliance with corporate governance, annual reports, etc. are regularly uploaded on the Company's website – 'www.rcvp.in', in compliance with Regulation 46 and 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Presentation made to the Analyst and the Institutional Investors after the declaration of the quarterly, half yearly and annual results are also displayed on the Company's website.

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

### 10. GENERAL SHAREHOLDER INFORMATION

<b>A. Annual General meeting</b>												
<b>Date and Time</b>	<b>26<sup>th</sup> September, 2017 at 12.30 p.m.</b>											
<b>Venue</b>	At Conference Room of 60 CD Shlok Government Industrial Estate, Charkop, Kandivli (West), Mumbai 400 067											
<b>B. Financial Calendar</b>	<b>April 01, 2016 to March 31, 2017</b>											
Financial Reporting for 1st Quarter ending 30th June, 2017	On or before August 14, 2017 (As per SEBI circular no. CIR/CFD/FAC/62/2016 dated July 05, 2016, the timeline for submitting the financial results is extended by one month i.e. September 14, 2017).											
Financial Reporting for 2nd Quarter ending 30th Sept, 2017	On or before November 14, 2017											
Financial Reporting for 3rd Quarter ending 31st Dec, 2017	On or before the February 14, 2018											
Audited Results for the year ending March, 2018	On or before May 30, 2018											
<b>C. Date of Book closure</b>	Beginning Wednesday, 20 <sup>th</sup> September, 2017 to Tuesday 26 <sup>th</sup> September, 2017 (both days inclusive)											
<b>D. Dividend payment date</b>	Not applicable											
<b>E. Listing on Stock Exchanges</b>	<b>Bombay Stock Exchange Ltd.</b>											
<b>F. Stock Code</b>	Bombay Stock Exchange Ltd., Mumbai Scrip Code: 526193 Demat ISIN No. CDSL & NSDL: INE618A01011											
<b>G. Market price data (High, Low Market price on Bombay Stock Exchange during each month of the financial year.</b>												
	<table border="1"> <thead> <tr> <th rowspan="2">Month</th> <th colspan="3">Price</th> </tr> <tr> <th>High (Rs.)</th> <th>Low(Rs.)</th> <th>Total no. of Shares Traded</th> </tr> </thead> <tbody> <tr> <td>April' 2016</td> <td>6.24</td> <td>5.39</td> <td>4,404</td> </tr> </tbody> </table>	Month	Price			High (Rs.)	Low(Rs.)	Total no. of Shares Traded	April' 2016	6.24	5.39	4,404
Month	Price											
	High (Rs.)	Low(Rs.)	Total no. of Shares Traded									
April' 2016	6.24	5.39	4,404									

Month	Price		
	High (Rs.)	Low(Rs.)	Total no. of Shares Traded
May' 2016	7.79	6.24	14,783
June' 2016	6.96	5.70	1,922
July' 2016	6.61	5.51	23,665
August' 2016	8.00	6.51	3,625
September' 2016	8.06	7.60	8,501
October' 2016	8.35	7.90	652
November' 2016	8.29	7.42	4,663
December' 2016	9.32	7.86	12,050
January' 2017	9.19	8.07	1,839
February' 2017	8.66	6.05	82,583
March' 2017	6.05	4.24	3,77,662

**H. Address for correspondence**

a)	Registrar and Share Transfer Agent
	M/s. Universal Capital Securities Private Limited (Formerly Known as M/s Mondkar Computers Private Limited) 21, Shakil Niwas, Mahakali Caves Road, Andheri (East) Mumbai 400 093. Tel No. 022- 28366620/ 28257641/28262920
b)	Company's Share Department and Compliance Officer for Investor Grievance Redressal
	Mr. Mahesh k Shah, Managing Director and Compliance Officer, will be available at the following Registered Office address: Royal Cushion Vinyl Products Limited. 60 CD "SHLOK" Government Ind. Estate, Charkop, Kandivli (West), Mumbai 400 067 Tel No. 022- 32655828 / 28603516, Fax No. 022- 28603565 Email: legalho83@gmail.com

**I. Share Transfer System**

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

**J. Distribution of shareholding as on 31st March, 2017**

Range	No. of equity shareholders	%	No. of equity Share	%
Upto 500	2754	83.02	5,02,377	4.16
501 – 1000	257	7.75	2,06,066	1.71
1001 – 2000	113	3.41	1,73,694	1.44
2001 – 3000	41	1.24	1,01,302	0.84

Range	No. of equity shareholder	%	No. of equity share	%
3001 – 4000	27	0.81	94,815	0.79
4001 – 5000	27	0.81	1,25,957	1.04
5001 – 10000	35	1.06	2,48,926	2.06
10001 and above	63	1.90	1,06,14,075	87.96
<b>Total</b>	<b>3317</b>	<b>100.00</b>	<b>120,67,212</b>	<b>100.00</b>

**K. Shareholding Pattern as on 31st March, 2017**

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.	12,38,419	10.26
Private Corporate Bodies	4,45,096	3.69
NRIs	3,734	0.03
Indian Public	29,54,435	24.49
Grand Total	1,20,67,212	100.00

**L. Dematerialization of Shares and Liquidity**

7,51,271 (6.23%) of Equity Shares of Rs. 10/- each held in CDSL and 74,82,226 (62.00%) of Equity shares held in NSDL have been dematerialized as on 31st March, 2017.

#### 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, 2017, 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: 30<sup>th</sup> May, 2017

**Mahesh K. Shah**  
Chairman & Managing Director  
00054351

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

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

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

We have reviewed the financial statements for the quarter/year ended March 31, 2017 and certify that:

- a) These statements to the best of our knowledge and belief:
  - I. Do not contain any materially untrue statements or omit any material facts or contain statements that might be misleading:
  - II. Present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which is fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for the financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and that no material deficiencies in the design or operation of internal controls were observed in the year ended March 31, 2017.
- d) We have also indicated to the Auditors and the Audit Committee.
  - (i) There has not been any significant changes in Internal Controls with respect to financial reporting during the year under reference.
  - (ii) Pursuant to Companies Act, 2013 the company has recomputed the depreciation based on the useful life of the assets as prescribed under schedule II of the Act except this there has not been any significant change in accounting policies during the year requiring disclosures in the notes to the financial statements and
  - (iii) No instances of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control systems over financial reporting were reported in the year ended March 31, 2017.

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

Place: Mumbai  
Dated: 30th May, 2017

**Mahesh K Shah**  
Managing Director  
00054351

**Jayesh A Motasha**  
Director & CFO  
00054236

**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 31st March, 2017, 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 Company has not appointed any independent directors in the Board of Directors and also in the Audit Committee.

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

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

**(H.B.SHAH)**  
Partner  
Membership No. 16642

Place: Vadodara  
Date: 30.05.2017

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

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

I confirm that all Directors and members of Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2017.

For **Royal Cushion Vinyl Products Limited**

Place : Mumbai  
Date : May 30, 2017

**Mahesh Shah**  
Chairmen & Managing Director  
DIN 00054351

### 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 31st March 2017, 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, 2017;  
(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. 27)

### 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 ;



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- (e) On the basis of written representations received from the directors as on 31 March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, 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 26 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.
  - (iv) The Company had provided requisite disclosure in its Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Company.

**FOR CHANDRAKANT & SEVANTILAL & J. K. SHAH & CO.**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No. 101676W

Place: Vadodara  
Date: 30/05/2017

**(H.B.SHAH)**  
**PARTNER**  
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, 2017.**

(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 in the register maintained under section 189 of the Companies Act. 2013..
  - 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public during the year. Accordingly the provisions of clause (v) of the Companies (Auditor's Report) order 2016, are not applicable to the Company.
- 6) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the product manufactured by the Company.
- 7- a) According to the records of the Company, the Company is generally not regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Valued Added Tax and Cess and other statutory dues with the appropriate authorities.

According to the information and explanations given to us, the undisputed statutory due which have remained outstanding as at 31st March, 2017, 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	The Income Tax Act	Penalty	42,43,390	AY 2005-06	Commissioner Mumbai

- 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 Sep 2002. The loan amount is payable after the final decision of BIFR.

Total amount payable as on 31/03/17 to various Banks & Financial Institutions are as under as per Books of Account (subject to reconciliation in absence of bank statements)

NAME	AMOUNT Rs.
Bank of India	28,17,69,387
Exim Bank	18,272,560
Global Trust Bank	32,561,049
IDBI	1,25,66,30,654
Saraswat Co-op Bank Ltd	177,138,264
Swaminarayan Co-op Bank Ltd	2,214,671
Baroda Peoples Co-op Bank Ltd	1,944,225
Panchmahal Dist. Co-op Bank Ltd	8,200,934
Baroda City Co-op Bank Ltd	3,268,089
Mandvi Co-op Bank Ltd	49,095
G.S.F.C.	11,518,041
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

Place: Vadodara  
DATE : 30/05/2017

**(H.B. SHAH)**  
**PARTNER**  
MEMBERSHIP NO. 016642

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### 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, 2017 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, 2017, 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**  
**FRN: 101676W**

**CA. H.B. Shah**  
**M.No.: 016642**  
**PARTNER**  
**Date: 30/05/2017**

Balance Sheet As At 31st Mar, 2017

(Amount in ₹)

Particulars	Note No.	As at 31.03.2017		As at 31.03.2016	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' funds</b>					
Share capital	2	120,672,120		120,672,120	
Reserves and surplus	3	(5,020,150,916)	(4,899,478,796)	(4,990,513,528)	(4,869,841,408)
Share Application Money Pending Allotment	4		73,915,000		73,915,000
<b>Non-current liabilities</b>					
Long-term borrowings	5	2,947,730,975		2,973,833,465	
Long-term provisions	6	792,824,753	3,740,555,728	790,021,517	3,763,854,982
<b>Current liabilities</b>					
Trade payables	7	850,226,321		775,769,783	
Other current liabilities	8	780,806,941		830,630,530	
Short-term provisions	9	3,321,014	1,634,354,276	2,234,217	1,608,634,530
		<b>TOTAL ₹</b>	<b>549,346,208</b>		<b>576,563,104</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
<b>Fixed assets</b>					
Tangible assets	10	191,749,074		193,233,644	
Non-current investments	11	2,768,860		1,160,457	
Long-term loans and advances	12	110,890,304	305,408,238	110,015,504	304,409,605
<b>Current assets</b>					
Inventories	13	185,521,838		176,220,506	
Trade receivables	14	44,376,684		76,622,395	
Cash and cash equivalents	15	3,297,422		6,213,669	
Short-term loans and advances	16	10,742,026	243,937,970	13,096,929	272,153,499
		<b>TOTAL ₹</b>	<b>549,346,208</b>		<b>576,563,104</b>
Significant Accounting Policies and Notes on Financial Statements	1 to 40				

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 : 30/05/2017

Place : MUMBAI

Date : 30/05/2017

## Annual Report 2016-2017

### Profit and Loss Statement for the year ended 31st Mar, 2017

(Amount in ₹)

Particulars	Note No.	Year Ended 31.03.2017	Year Ended 31.03.2016
<b>Revenue from Operations</b>	17	719,918,295	801,735,369
Less: Excise Duty		57,773,550	54,201,261
Revenue from Operations (Net)		662,144,745	747,534,108
Other income	18	119,779,513	1,776,353
<b>Total Revenue</b>		<b>781,924,258</b>	<b>749,310,461</b>
<b>Expenses:</b>			
Cost of Materials Consumed	19	507,979,774	502,152,293
Changes in Inventories of Finished Goods & Work-In-Progress	20	(5,397,866)	14,020,503
Employee Benefits Expense	21	66,773,554	62,687,302
Finance Costs	22	45,407,605	41,703,871
Depreciation and Amortization Expense	10	13,244,610	13,830,504
Other Expenses	23	183,180,441	178,890,369
<b>Total expenses</b>		<b>811,188,118</b>	<b>813,284,842</b>
<b>Loss for the year</b>		<b>(29,263,860)</b>	<b>(63,974,381)</b>
Prior Year Items (Net of Income and Expense)		(373,528)	(116,452)
<b>Profit / (Loss) before Exceptional Item</b>		<b>(29,637,388)</b>	<b>(64,090,833)</b>
Exceptional Income		-	-
<b>Loss Before Tax</b>		<b>(29,637,388)</b>	<b>(64,090,833)</b>
Tax Expenses		-	-
<b>Loss for the Year</b>		<b>(29,637,388)</b>	<b>(64,090,833)</b>
Earnings per Equity Share of Face Value of ₹ 10/- each Basic & Diluted		(2.46)	(5.31)
Significant Accounting Policies and Notes on Financial Statements	1 to 40		

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 : 30/05/2017

Place : MUMBAI

Date : 30/05/2017

CASH FLOW STATEMENT

(Amount in ₹)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit /(Loss) before Tax, extra-ordinary Items & Prior Period Expenses/Income	(29,263,860)	(63,974,381)
Adjustment for :		
Depreciation	13,244,610	13,830,504
Prior Year Items (Net of Income and Expenses)	(373,528)	(116,452)
Finance Cost	45,407,605	41,703,871
Interest Received	(1,186,465)	(939,917)
(Profit)/Loss on Sale of fixed assets (net)	-	(70,679)
Lease Rent	(831,480)	(831,480)
Share of loss from Partnership firm	102,897	78,561
Unclaimed Liabilities / Balance Written Back	(117,759,444)	-
Dividend Received	(2,124)	(4,956)
<b>Operating profit before working capital changes</b>	<b>(61,397,929)</b>	<b>53,649,452</b>
Adjustment for :	(90,661,789)	(10,324,929)
Inventories	(9,301,332)	35,228,244
Trade & Other Receivables	32,245,711	(37,552,694)
Loans & Advances	1,480,103	(4,877,186)
Trade Payables	74,456,538	(15,636,224)
Unclaimed Liabilities / Balance Written Back	117,759,444	-
Other current liabilities	(49,823,589)	(804,945)
Provisions	3,890,033	3,237,802
<b>Cash generated from operation</b>	<b>80,045,119</b>	<b>(30,729,932)</b>
<b>Cash after Extraordinary items</b>	<b>80,045,119</b>	<b>(30,729,932)</b>
<b>Net Cash from operating activities</b>	<b>80,045,119</b>	<b>(30,729,932)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(11,760,040)	(394,740)
Sale of fixed assets	-	107,500
Sale of investments	(1,608,403)	30,009
Interest Received	1,186,465	939,916
Value of advance import license written off	-	408,936
Lease Rent	831,480	831,480
Share of loss from Partnership firm	(102,897)	(78,561)
Dividend Received	2,124	4,956
<b>Net Cash Used for Investing Activities</b>	<b>(11,451,271)</b>	<b>1,849,496</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowing	(26,102,490)	73,328,962
Interest paid	(45,407,605)	(41,703,871)
Net Cash Used from Financing Activities	(71,510,096)	31,625,091
Net Increase in cash and cash collection ( A+B+C)	(2,916,247)	2,744,655
Cash & Cash Equivalents at the beginning of the year	6,213,669	3,469,014
Cash & Cash Equivalents at the end of the year	3,297,422	6,213,669

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**  
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00054351

**JAYESH A MOTASHA**  
Director & CFO  
00054236

Place : VADODARA

Date : 30/05/2017

Place : MUMBAI

Date : 30/05/2017

NOTES 2 TO 16 FORMING PART OF THE BALANCE SHEET

Notes on Financial Statements for the year ended 31st March, 2017

2. Share Capital

Particulars	As at 31.03.2017 ₹	As at 31.03.2016 ₹
<b>Authorised :</b>		
30,000,000 (Previous year 30,000,000) Equity Shares of ₹10/- each	300,000,000	300,000,000
<b>Issued, Subscribed &amp; Paid up</b>		
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 Mar 31, 2017		As at Mar 31, 2016	
	Numbers	(₹)	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 Mar 31, 2017		As at Mar 31, 2016	
	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	639,450	5.30
4 Sughosh 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

3. Reserves & Surplus

	As at Mar 31, 2017		As at Mar 31, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>a. CAPITAL RESERVE</b>	<b>649,080</b>		<b>649,080</b>	
as per the last balance sheet				
<b>b. SECURITIES PREMIUM RESERVE</b>	<b>723,225,231</b>		<b>723,225,231</b>	
as per the last balance sheet				
<b>c. INVESTMENT ALLOWANCE RESERVE</b>	<b>4,534,000</b>		<b>4,534,000</b>	
as per the last balance sheet				
<b>d. Surplus/Deficit in the statement of Profit &amp; Loss</b>				
Opening Balance	(5,718,921,839)		(5,654,831,006)	
Add : Loss for the year	(29,637,388)		(64,090,833)	
Closing Balance		<b>(5,748,559,227)</b>		<b>(5,718,921,839)</b>
<b>Total</b>		<b>(5,020,150,916)</b>		<b>(4,990,513,528)</b>



NOTES 2 TO 16 FORMING PART OF THE BALANCE SHEET

4. Share Application Money

Particulars	As at 31.03.2017 ₹	As at 31.03.2016 ₹
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 was registered with The Board For Industrial and Financial Reconstruction (BIFR) since Sep.2002. The Company had submitted the revised Draft Rehabilitation Scheme (“DRS”) containing proposals for revival of the Company with the erstwhile Hon’ble Board for Industrial and Financial Reconstruction (“BIFR”) . As per the DRS the Promoters of the Company are required to bring additional funds. Accordingly the Promoters have brought funds as share application money . The shares will be issued after necessary approvals.

5. Long Term Borrowings

Particulars	As at 31.03.2017 ₹	As at 31.03.2017 ₹	As at 31.03.2016 ₹	"As at 31.03.2016 ₹
	Current	Non Current	Current	Non Current
<b>Secured</b>				
<b>Term loans from Banks :</b>				
<b>Bank of India</b> 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 promotor directors of the Company		281,769,387		284,178,176
<b>Exim Bank</b> Secured by way of first charge ranking paripassu with Bank of India, Global Trust Bank (OBC), Saraswat Co-op Bank and IDBI on specific movable & immovable properties presents & future subject to the prior charge on specified movable created/to be created in favour of bankers, by way of security for borrowing for working capital and further secured by personal guarantee of promotor directors of the Company		18,272,560		18,272,560

NOTES 2 TO 16 FORMING PART OF THE BALANCE SHEET

Particulars	As at	As at	As at	"As at
	31.03.2017	31.03.2017	31.03.2016	31.03.2016
	₹	₹	₹	₹
	Current	Non Current	Current	Non Current
<p><b><u>Global Trust Bank (OBC)</u></b>                      Secured by way of first charge ranking paripassu with Bank of India, Exim Bank Saraswat Co-op Bank and IDBI on specific movable &amp; immovable properties presents &amp; 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 promotor directors of the Company</p>		32,561,049		32,561,049
<p><b><u>IDBI</u></b>                      Secured by way of first charge ranking paripassu with Bank of India, Exim Bank and Global Trust Bank (OBC) on specific movable &amp; immovable properties presents &amp; 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 promotor directors of the company.</p>		1,256,630,654		1,257,545,414
<p><b><u>Saraswat Co-op Bank Ltd.</u></b>                      Secured by way of first charge ranking paripassu with Bank of India, Exim Bank, IDBI and Global Trust Bank (OBC) on specific movable &amp; immovable properties presents &amp; 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 promotor directors of the Company.</p>		177,138,264		177,138,264
<p><b><u>Swaminarayan Co-op Bank Ltd.</u></b>                      Secured by way of Hypothecation of specific Plant &amp; Machinery &amp; personal guarantee of promotor directors of the Company</p>		2,214,671		2,214,671

NOTES 2 TO 16 FORMING PART OF THE BALANCE SHEET

5. Long Term Borrowings

Particulars	As at	As at	As at	"As at
	31.03.2017	31.03.2017	31.03.2016	31.03.2016
	₹	₹	₹	₹
	Current	Non Current	Current	Non Current
<b><u>Baroda Peoples Co-op Bank Ltd.</u></b> Secured by way of Hypothecation of specific Plant & Machinery & personal guarantee of promotor directors of the Company		1,944,225		1,944,225
<b><u>Panchmahal Dist. Co-op Bank Ltd.</u></b> Secured by way of Hypothecation of specific Plant & Machinery & personal guarantee of promotor directors of the Company		8,200,934		8,200,934
<b><u>Baroda City Co-op Bank Ltd.</u></b> Secured by way of Hypothecation of specific Plant & Machinery & personal guarantee of promotor directors of the Company		3,268,089		3,268,089
<b><u>Mandvi Co op. Bank Ltd.</u></b> Secured by way of hypocation of Vehicles		49,095		49,095
<b><u>Term loans from Financial Institutions :</u></b>				
<b><u>G.S.F.C.</u></b> Secured by way of Hypothecation of specific Plant & Machinery & personal guarantee of promotor directors of the Company		11,518,041		11,518,041
<b><u>Kirloskar Inv. and Finance Ltd</u></b> Secured by way of hypothecation of specific Plant & Machinery & personal guarantee of promotor directors of the Company		-		7,307,824
<b><u>Lloyd Finance Ltd.</u></b> Secured by way of hypocation of Vehicles & personal guarantee		-		562,715
<b><u>Unsecured</u></b>				
<b><u>From Banks</u></b>		458,664,195		458,664,195
<b><u>From Company</u></b>		575,405,732		582,293,733
<b><u>From Directors</u></b>		11,886,452		10,360,609
<b><u>From Others</u></b>		108,207,627		117,753,871
<b><u>Total</u></b>	-	<b>2,947,730,975</b>	-	<b>2,973,833,465</b>

## NOTES 2 TO 16 FORMING PART OF THE BALANCE SHEET

### 5. Long Term Borrowings

- 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 31.03.2017 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). Further in the current financial year Company has submitted an application on 20.03.2017 to The Industries Commissionrate ,Govt. of Gujarat ( GOG) in terms of GOG's GR for Scheme for relief and concession to Sick Industries. As per provisions of this scheme, the Company proposed to GOG and Lenders i.e. GSFC , Baroda co-op bank, Swaminarayan Co. op bank, Baroda peoples co-op bank, Baroda city co-op bank, Panchmal dist co-op Bank , to pay principal outstanding of loans. Hence the Company has written back accumulated interest on these loans `765.25 Lacs in current year.
- (c) The Directors of the Company along with their family members and group Companies/associates , by giving personal property as collateral security, arranged Loans from Deutsch Bank ( DB )and Capital First Ltd ( CFL) . These loans are released by DB and CFL to Natroyal Industries Private Limited ( NIPL) . Pursuant to the arrangement / understanding between NIPL , Directors, associates and the Company, the said Loans amount were transferred by NIPL to the Company and the Company has treated the same as Loan from NIPL. The instalments including interest is paid on the said Loan by the Company . The Principal amount is debited to NIPL Loan Account and interest thereon is debited to interest account in the Company's Books of Accounts. The loan outstanding as on 31.03.2017 for DB is `894.95 lacs and CFL is `1407.90 lacs.

### 6. Long Term Provisions

Particulars	As at 31.03.2017 ₹	As at 31.03.2016 ₹
<u>Provision for Employee Benefits</u>		
Provision for Gratuity	19,654,364	17,133,499
Provision for Leave Benefits	3,935,703	3,653,332
Provision for Customs duty including interest	769,234,686	769,234,686
<b>Total</b>	<b>79,28,24,753</b>	<b>790,021,517</b>

**NOTES 2 TO 16 FORMING PART OF THE BALANCE SHEET**

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. 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. From 01.04.2014 the Company has stopped providing interest on custom duty liability, as company has filed DRS with BIFR with a request to fulfill balance export obligation with seven year of approval of the DRS. The Government of India notified certain provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC") w.e.f. December 1, 2016 which had the effect of abatement of the pending proceedings of the Company before the Hon'ble BIFR. Now, the said proceedings will be governed by the provisions of the newly notified IBC laws. The Company has filed an application before NCLT, Mumbai under IBC law on 29.05.2017. Had the company provided interest as per practice followed in earlier years loss would have been higher by ` 3,78,25,074 and reserve and surplus would have been lower to that extent during the year.

**7. Trade Payables**

Particulars	As at 31.03.2017 ₹	As at 31.03.2016 ₹
Sundry Creditors	850,226,321	775,769,783
<b>Total</b>	<b>850,226,321</b>	<b>775,769,783</b>

**8. Other current liabilities**

Particulars	As at 31.03.2017 ₹	As at 31.03.2016 ₹
(a) Interest accrued and due on borrowing	717,872,608	795,602,007
(b) Advance from Customers	46,372,413	22,141,219
(c) Statutory Liabilities	15,386,767	11,684,926
(d) Deposits	65,000	65,000
(e) Advance for sale of Land	1,110,153	1,110,153
(f) Other Liabilities	-	27,225
<b>Total</b>	<b>780,806,941</b>	<b>830,630,530</b>

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 as advance.

NOTES 2 TO 16 FORMING PART OF THE BALANCE SHEET

9. Short Term Provisions

Particulars	As at 31.03.2017 ₹	As at 31.03.2016 ₹
<b>Provision for Employee Benefits</b>		
(a) Provision for Gratuity	2,255,548	1,236,044
(b) Provision for Leave Benefits	1,065,466	998,173
<b>Total</b>	<b>3,321,014</b>	<b>2,234,217</b>

10. Fixed Assets

(Amount in ₹)

Particulars	Gross Block			Depreciation			Net Block	
	As at 1st April, 2016	Additions for the year	Disposals	As at 31st Mar, 2017	As at 1st April, 2016	On Disposals	As at 31st Mar, 2017	As at 31st March, 2016
<b>Tangible Assets</b>								
Land (Freehold)	4,870,698	-	-	4,870,698	-	-	4,870,698	4,870,698
Factory Buildings	173,300,803	344,802	-	173,645,605	4,327,780	-	64,623,278	68,606,255
Other Buildings	6,371,144	-	-	6,371,144	5,563,788	-	642,255	807,356
Plant & Equipment	1,577,289,691	10,113,049	-	1,587,402,740	8,193,501	-	117,688,589	115,769,041
Furniture & Fixtures	12,900,706	198,703	-	13,099,409	11,833,945	-	1,088,150	1,066,761
Vehicles	9,921,484	-	-	9,921,484	9,084,433	-	657,976	837,051
Office Equipment	17,015,037	394,593	-	17,409,630	15,738,555	-	1,469,236	1,276,482
<b>Total Rs.</b>	<b>1,801,669,563</b>	<b>11,051,147</b>	<b>-</b>	<b>1,812,720,710</b>	<b>1,608,435,919</b>	<b>-</b>	<b>1,621,680,529</b>	<b>1,93,233,644</b>
Capital Work in Progress	-	708,893	-	708,893	-	-	-	-
<b>Grand Total</b>	<b>1,801,669,563</b>	<b>11,760,040</b>	<b>-</b>	<b>1,813,429,603</b>	<b>1,608,435,919</b>	<b>-</b>	<b>1,621,680,529</b>	<b>1,93,233,644</b>
Previous Year's Total	1,802,011,263	394,740	736,440	1,801,669,563	1,595,305,034	13,830,504	1,608,435,919	206,706,229

NOTES 2 TO 16 FORMING PART OF THE BALANCE SHEET

11. Non Current Investments

Particulars	As at 31.03.2017 ₹	As at 31.03.2016 ₹
<b>Long Term Investment (at cost)</b>		
<b>A Investment in Shares</b>		
<b><u>i) Quoted : (Non Trade)</u></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 : Diminution in value of Investment written off	831,853	-
<b><u>ii) Unquoted : (Non Trade) in Equity</u></b>		
<b><u>Investment in Shares of Subsidiary Company :</u></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	-
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	-
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
	346080	346080

NOTES 2 TO 16 FORMING PART OF THE BALANCE SHEET

11. Non Current Investments

Particulars	As at 31.03.2017 ₹	As at 31.03.2016 ₹
<b>B Government Securities</b>		
National Saving Certificates ( Pledged with Government Authorities )	2,000	2,000
<b>C Investment by way of capital in a partnership firm</b>		
Creative Investment	2,420,780	812,377
<b>Total</b>	<b>2,768,860</b>	<b>1,160,457</b>

Particulars	As at 31.03.2017 ₹	As at 31.03.2016 ₹
Aggregate amount of quoted investments	-	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

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 honor the debts, Due to this ERF in turn, could not pay its creditors. The Company has been informed by the ex-local Directors of ERF that one of the creditors had filed a suit for winding-up of ERF pursuant to which the High Court of Justice of U.K.made a winding-up order dated 11th June,2001 against ERF and the official receiver has been appointed to liquidate the assets of ERF. Thereafter order dated 12/03/2002 was passed and ERF is dissolved Under the circumstances , the Management had provided for diminution in value of investment made in ERF in the year 2000-01.As also, provision against the debt of `233,375,543 due from ERF had been made during the earlier year.

Particulars	As at 31.03.2017 ₹	As at 31.03.2016 ₹
<b>12. Long Term Loans &amp; Advances</b>		
Sicom Limited for settlement of dues to bank	93,200,000	93,200,000
Deposits	17,690,304	16,815,504
<b>Total</b>	<b>110,890,304</b>	<b>110,015,504</b>



### NOTES 2 TO 16 FORMING PART OF THE BALANCE SHEET

#### 12.1 BIFR Status and Merger

##### (a) BIFR STATUS

The Company was registered as a sick company under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company had submitted the revised Draft Rehabilitation Scheme ("DRS") containing proposals for revival of the Company with the erstwhile Hon'ble Board for Industrial and Financial Reconstruction ("BIFR"). The Hon'ble BIFR had circulated the revised DRS vide its order dated 11.06.2015, for consideration of the concerned parties and other related proceedings were pending before the Hon'ble BIFR at an advanced stage of final approval. The last hearing was on 22.11.2016. However, in the meantime, the Government of India notified certain provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC") w.e.f. December 1, 2016 which had the effect of abatement of the pending proceedings of the Company before the Hon'ble BIFR. Now, the said proceedings will be governed by the provisions of the newly notified IBC laws. The Company has filed an application before NCLT, Mumbai under IBC law on 29.05.2017.

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

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 Limited, forms part of and is to be treated as term loan sanctioned by SICOM Limited to the Company, It is included in the said loans, as it is consideration of the said loans.

##### (b) MERGER

The Company was registered as a sick company under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company had submitted the revised Draft Rehabilitation Scheme ("DRS") containing proposals for revival of the Company with the erstwhile Hon'ble Board for Industrial and Financial Reconstruction ("BIFR") whereby it was proposed to demerge two of its undertaking viz. Unit I & II of the Company and merging them with Natroyal Industries Private Limited [(erstwhile Vijayjyot Seats Private Limited) one of the Promoter Group Company] with effect from the Appointed Date of January 1, 2013 subject to approval from Hon'ble BIFR and other concerned parties. The Hon'ble BIFR had circulated the revised DRS for consideration of the concerned parties and other related proceedings were pending before the Hon'ble BIFR at an advanced stage of final approval. However, in the meantime, the Government of India notified certain provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC") w.e.f. December 1, 2016 which had the effect of abatement of the pending proceedings of the Company before the Hon'ble BIFR. Now, the said proceedings will be governed by the provisions of the newly notified IBC laws. The Company has filed an application before NCLT, Mumbai under IBC law on 29.05.2017.

**NOTES 2 TO 16 FORMING PART OF THE BALANCE SHEET**

12.2) Includes 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 31.03.2017 ₹	As at 31.03.2016 ₹
Raw materials	33,748,659	33,236,894
Raw materials in Transits	1,124,075	-
Work-in-progress	80,601,456	74,962,395
Finished goods	56,034,061	56,275,256
Packing Materials	3,451,213	2,432,645
Consumable Stores	10,323,374	9,119,316
Fuel	239,000	194,000
<b>Total</b>	<b>185,521,838</b>	<b>176,220,506</b>

**14. Trade Receivables (Unsecured)**

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

Considered good

Considered Doubtful

Less : Provision for Doubtful Debts

Others (Considered good)

**Total**

18,490,948	53,110,910
234,574,220	234,574,220
253,065,168	287,685,130
234,574,220	234,574,220
18,490,948	53,110,910
25,885,736	23,511,485
<b>44,376,684</b>	<b>76,622,395</b>

**15. Cash & Bank Balances**

a. Balances with banks

b. Fixed Deposit with banks

c. Cash on hand

**Total**

1,481,974	4,642,256
1,201,672	1,121,871
613,776	449,542
<b>3,297,422</b>	<b>6,213,669</b>

Fixed deposit of ₹12,01,672 (P.Y. ₹11,21,871) was held as security deposit against Bank Guarantee.

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

Particulars	As at 31.03.2017 ₹	As at 31.03.2016 ₹
Advances for purchase of Assets	-	3,096,656
Prepaid Expenses	390,085	374,288
Advances to Staff	966,645	1,592,156
Advances to Suppliers	5,810,137	5,380,027
Other Advances	226,159	107,200
Tax deducted at source	1,097,073	1,028,129
Balance with Excise Authorities	2,251,927	1,518,473
<b>Total</b>	<b>10,742,026</b>	<b>13,096,929</b>

NOTES 17 TO 23 FORMING PART OF PROFIT AND LOSS ACCOUNT

17. Revenue from Operation

Particulars	Year ended 31.03.2017 ₹	Year ended 31.03.2016 ₹
<b>Sales of Products</b>	669,449,735	761,968,979
Add: Exchange Rate Difference	51,739	608,068
	669,501,474	762,577,047
<b>Other Operating Revenue</b>		
Sale of Scrap	50,416,821	39,158,322
	50,416,821	39,158,322
<b>Total :</b>	<b>719,918,295</b>	<b>801,735,369</b>

17.1) DETAILS OF TURNOVER :

PVC Floor Covering	90,989,968	56,032,195
PVC Laminated Sheet /Tiles	572,011,767	569,353,554
PVC Leathercloth	6,448,000	136,583,230
<b>Total :</b>	<b>669,449,735</b>	<b>761,968,979</b>

18. Other Income

Particulars	Year Ended 31.03.2017 ₹	Year Ended 31.03.2016 ₹
Interest	11,86,465	9,39,917
Dividend From Long Term Investment	2,124	4,956
Unclaimed Liabilities / Balance Written Back	11,77,59,444	-
Lease Rent	8,31,480	8,31,480
<b>Total</b>	<b>119,779,513</b>	<b>1,776,353</b>

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

19. Cost of Material Consumed

Particulars	Year Ended 31.03.2017 ₹	Year Ended 31.03.2016 ₹
Opening Stock	33,236,894	56,379,140
Purchases	508,491,539	479,010,047
	541,728,433	535,389,187
Less: Closing Stock	33,748,659	33,236,894
<b>Total :</b>	<b>507,979,774</b>	<b>502,152,293</b>

19.1) Value of Consumption of directly imported and indigenously obtained Raw materials & the percentage of each to the total.

NOTES 17 TO 23 FORMING PART OF PROFIT AND LOSS ACCOUNT

RAW MATERIAL CONSUMED	Amount	%	Amount	%
Imported	153,387,863	30	146,212,509	29
Indigenous	354,591,911	70	355,939,784	71
<b>Total</b>	<b>507,979,774</b>	<b>100</b>	<b>502,152,293</b>	<b>100</b>

RAW MATERIAL CONSUMED	Amount	Amount
PVC Resin	196,684,475	208,004,537
Plasticizers	111,649,799	107,718,404
Others	199,645,500	186,429,352
<b>Total :</b>	<b>507,979,774</b>	<b>502,152,293</b>

20. Changes in Inventories of Finished Goods

Particulars	Year Ended 31.03.2017 ₹	Year Ended 31.03.2016 ₹
<b>Work-In-Progress</b>		
<b>Opening 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>Less: Closing Stock</b>		
Finished Goods	56,034,061	56,275,256
Work-in-process	80,601,456	74,962,395
	136,635,517	131,237,651
<b>Total</b>	<b>(5,397,866)</b>	<b>1,40,20,503</b>

20.1) Details of inventory of Finished Goods

Particulars	Year Ended 31.03.2017 ₹	Year Ended 31.03.2016 ₹
Cushion Vinyl Flooring	41,608	41,608
PVC Floor Covering	6,110,299	5,172,761
PVC Laminated Sheet /Tiles	49,882,154	51,060,887
<b>Total</b>	<b>56,034,061</b>	<b>56,275,256</b>

21. Employee Benefits Expense

Salaries	58,655,652	55,660,470
Contribution to Provident Fund and Other Funds	2,774,867	2,503,501
Gratuity	3,860,669	2,778,286
Staff Welfare	1,482,366	1,745,045
<b>Total :</b>	<b>66,773,554</b>	<b>62,687,302</b>

### NOTES 17 TO 23 FORMING PART OF PROFIT AND LOSS ACCOUNT

<b>22. Finance Costs</b>		
<b>Interest Expenses :</b>		
Interest on long term borrowings	39,762,108	31,589,626
Bank Charges	5,645,497	10,114,245
<b>Total :</b>	<b>45,407,605</b>	<b>41,703,871</b>

### 23. Other Expenses

Particulars	Year Ended 31.03.2017 ₹	Year Ended 31.03.2016 ₹
Consumption of stores and spares	10,871,754	14,092,740
Consumption of packing material	26,589,132	24,440,902
Power and fuel	86,680,430	87,468,098
Rent Fork lift	1,691,560	1,359,510
Lease Rent	2,326,273	2,208,436
Rates and taxes	553,316	934,036
Insurance	854,677	316,563
Electricity Charges	1,404,109	1,495,571
<b>Repairs and maintenance</b>		
- Plant and machinery	8,845,635	4,382,895
- Buildings	209,540	270,574
- Others	154,459	203,592
Management Fees	1,415,119	1,407,847
Design & Development	1,088,749	1,883,697
Machine Operating Charges	5,145,091	6,082,823
Payment to contractors for supply of Labour	6,308,656	3,147,044
Advertising and sales promotion	1,716,204	937,264
Sales Commission & Discount	13,082	94,005
Travelling and conveyance	2,739,367	2,518,735
Telephone Expense	1,064,689	1,099,674
Vehicle Expense	4,157,609	3,574,262
Legal and professional fees	3,194,928	2,653,986
<b>Payment to auditor</b>		
- Audit fees	227,400	227,400
- Tax Audit fees	33,000	33,000
- Certification Work	61,106	36,000
Donation	-	11,000
Share of loss from Partnership firm	102,897	78,561
<b>Value of Investment in share</b>		408,936
Shares Written off	Rs.8,31,853	
Less :Provision in earliers year	Rs.8,31,853	-
Loss on sale of fixed assets	-	(70,679)
Freight and forwarding charges Outward	2,879,518	3,508,752
Miscellaneous expenses	12,852,139	14,085,147
<b>Total :</b>	<b>183,180,441</b>	<b>178,890,369</b>

### NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2017

#### 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 to profit and loss accounts based on actuarial valuation report.
- (iii) The Company provides for the Liability at the year end on account of un availed 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.
- (iii) Contingent asset is neither recognized nor disclosed in the financial statements.

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

	<b>31.03.2017 (Amount in ₹)</b>	<b>31.03.2016 (Amount in ₹)</b>
a) Guarantee / Letter of credit given by Company's Bankers	Refer note below	Refer note below
b) Foreign Bills Discounted with Banks	Refer note below	Refer note below
c) Show cause / Demand raised / Appeal filed to the Various Authorities & disputed by the Company	7,347,186	8,764,998
d) Penalty Imposed by FERA & disputed by the Company	10,000,000	10,000,000
e) Custom duty payable on Import of duty free capital goods,	amount unascertainable.	amount unascertainable.
f) Penalties, if any, in respect of custom duty liabilities for import of raw materials under advance license scheme and of capital goods under EPCG Scheme	amount unascertainable.	amount unascertainable.
g) Suits filed against the Company for recovery of dues,	amount unascertainable.	amount unascertainable.

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

### 25 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 31.03.2017 are as under.

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

b) The total Capital of the Partners is ₹ 19,28,744 (net)



- c) The above details about investment and names of partners are based on the information, certified by a partner.
- 26 Under the Micro, Small and Medium Enterprise Development Act, 2006 ("MSMED Act") which came into force effective from 2<sup>nd</sup> October 2006, certain disclosures relating to 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.
- 27 The Company has suffered substantial losses and due to this, the entire net worth has been eroded. However, operations are Continued and the accounts of the Company have been prepared on the basis that the Company is a going concern.
- 28 Sundry Debtors & Creditors (Including foreign suppliers) are subject to confirmation.

### 29 Segment Reporting :

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

### 30 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.

### 31. Accounting for Lease :

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

Particulars	(Amount in ₹)	
	2016-17	2015-16
1) Lease payment recognised in Profit and Loss statement for the year.	2,326,273	2,208,436
2) Future MLP under the Leases in the aggregate and for each of the following periods		
i) Not later than one year	360,236	317,200
ii) Later than one year & not later than Five Years.	-	-
iii) Due after five years	-	-

- 32 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.

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

(₹ lacs)

I	Assumptions as at	Valuation Date 31st March, 2017
	Mortality	IALM (2006-08) Ult.
	Discount Rate	7.04%
	Rate of increase in compensation	10%
	Rate of return (expected) on plan assets	-
	Withdrawal rates	3,2,1%
<b>II</b>	<b>Changes in present value of obligations</b>	
	PVO at beginning of period	183.70
	Interest cost	14.60
	Current Service Cost	9.46
	Benefits Paid	(2.34)
	Actuarial (gain)/loss on obligation	13.68
	PVO at end of period	219.10
<b>III</b>	<b>Changes in fair value of plan assets</b>	
	Fair Value of Plan Assets at beginning of period	-
	Expected Return on Plan Assets	-
	Contributions	2.34
	Benefit Paid (=C26)	(2.34)
	Actuarial gain/(loss) on plan assets	-
	Fair Value of Plan Assets at end of period	-
<b>IV</b>	<b>Fair Value of Plan Assets</b>	
	Fair Value of Plan Assets at beginning of period	-
	Actual Return on Plan Assets	-
	Contributions	2.34
	Benefit Paid	(2.34)
	Fair Value of Plan Assets at end of period	-
	Funded Status	(219.10)
	Excess of actual over estimated return on Plan Assets	-
<b>V</b>	<b>Actuarial Gain/(Loss) Recognized</b>	
	Actuarial Gain/(Loss) for the period (Obligation)	(13.68)
	Actuarial Gain/(Loss) for the period (Plan Assets)	-
	Total Gain/(Loss) for the period	(13.68)
	Actuarial Gain/(Loss) recognized for the period	(13.68)
	Unrecognized Actuarial Gain/(Loss) at end of period	-
<b>VI</b>	<b>Amounts to be recognized in the Balance Sheet and statement of Profit &amp; Loss Account</b>	
	PVO at end of period	219.10
	Fair Value of Plan Assets at end of period	-
	Funded Status	(219.10)
	Unrecognized Actuarial Gain/(Loss)	-
	Net Asset/(Liability) recognized in the balance sheet	(219.10)

VII	Expense recognized in the statement of P & L A/C	Valuation Date 31st March, 2017
	Current Service Cost	9.46
	Interest cost	14.60
	Expected Return on Plan Assets	-
	Net Actuarial (Gain)/Loss recognized for the period	13.68
	Expense recognized in the statement of P & L A/C	37.74
VIII	<b>Movements in the Liability recognized in Balance Sheet</b>	
	Opening Net Liability	183.70
	Expenses as above	37.74
	Contribution paid	(2.34)
	Closing Net Liability	219.10
IX	<b>Experience Analysis - Liabilities</b>	
	Actuarial (Gain)/Loss due to change in bases	16.62
	Experience (Gain) / Loss due to Change in Experience	(2.94)
	Total	13.68
	<b>Experience Analysis - Plan Assets</b>	
	Experience (Gain) / Loss due to Change in Plan Assets	-
X	<b>Schedule VI Details</b>	
	<b>Current Liability</b>	<b>22.56</b>
	<b>Non-Current Liability</b>	<b>196.54</b>

34 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) ` 62,21,384 ( Previous year ` 62,52,806)

**35 NAME OF RELATED PARTIES AND RELATIONS**

**(A) SUBSIDIARY COMPANY**

a) Euro royal Floors Ltd.

**(B) ASSOCIATES CONCERN / TRUST**

- a) Natroyal Industries Pvt.Limited
- b) Samsons Leather cloth Manufacturing Co.LLP
- c) Royal Jerfeb Pvt Limited
- d) Shreedaha Trading & Consultancy Services LLP
- e) Shreeshaha Trading & Consultancy Services LLP
- f) Bhaktavatsala Trading & Consultancy Services LLP
- g) Trilokesh Trading & Consultancy Services LLP
- h) Vishwamurthy Trading & Consultancy Services LLP
- i) Sumukh Trading & Consultancy Services LLP
- j) Lokswami Trading & Consultancy Services LLP
- k) Sahishnu Trading & Consultancy Services LLP
- l) Sughosh Trading & Consultancy Services LLP
- m) Trilokatma Trading & Consultancy Services LLP
- n) M.V.Trust Properties

**(C) KEY MANAGEMENT**

- a) Mahesh Kantilal Shah
- b) Vinod Kantilal Shah

## 2 RELATED PARTY TRANSACTIONS

(Amount in ₹)

Sr.	Nature of transaction	2016-17			2015-16		
		Subsidiary	Associates	Key Management	Subsidiary	Associates	Key Management
1	Sales of Finished Goods #	-	281,181,809	-	-	220,949,638	-
2	Purchase of Raw materials #	-	529,661,640	-	-	478,188,389	-
3	Remuneration	-	-	1,489,074	-	-	1,441,167
4	Advance for purchase of Assets	-	-	-	-	3,096,656	-
5	Deposit given against Rented Property	-	6,000,000	-	-	6,000,000	-
6	Loan Received	-	11,090,531	-	-	5,592,000	-
7	Repayment of Loan	-	27,519,780	-	-	85,780,000	-
8	Loan Payable	-	677,613,359	-	-	694,047,604	-
9	Trade Payable	-	508,176,304	-	-	448,470,988	-
10	Trade Receivable *	233,375,543	-	-	233,375,543	12,361,943	-

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'2017 except ₹ 233,375,543 provided in respect of due by the Subsidiary Company in earlier year.

# Material/Goods sold to Natroyal Industries Pvt.Ltd. ₹ 281,181,809 (P.Y. ₹ 220,949,638)

# Material Purchase from Natroyal Industries Pvt.Ltd. ₹ 529,661,640 (P.Y. ₹ 478,188,389)

## 36 EARNING PER SHARE

Particulars	2016-17 Amount in ₹	2015-16 Amount in ₹
(a) Loss after tax available for equity shareholders	(29,637,388)	(64,090,833)
(b) Average number of Equity shares of `10/- each outstanding during the year	12067212	12067212
(c) Basic / Diluted Earnings per Share (₹) ( a/b)	(2.46)	(5.31)
<b>37 CIF VALUE OF IMPORTS :</b>		
Raw Materials	153,141,136	135,070,561
Stores & Spares	9,009,938	2,224,630
	162,151,074	137,295,191
<b>38 EXPENDITURE IN FOREIGN CURRENCY : (on accrual basis)</b>		
Stores & Spares	7,209,510	1,909,562
Foreign Travel	1,514,813	431,162

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

Signatures to Notes

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

Chartered Accountants

Firm Reg. No. 101676W

**H. B. Shah**

(Partner)

Membership No. 16642

Place : VADODARA

Date : 30/05/2017

For **ROYAL CUSHION VINYL PRODUCTS LTD.**

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

**JAYESH A MOTASHA**  
Director & CFO  
00054236

Place : MUMBAI

Date : 30/5/2017



UPDATION OF SHAREHOLDER INFORMATION

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 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 1st holder	Signature of 2nd holder	Signature of 3rd holder

## Annual Report 2016-2017

### ROYAL CUSHION VINYL PRODUCTS LTD

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

#### PROXY FORM FORM NO. MGT-11

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

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

I / We, being the Member(s) of \_\_\_\_\_ Shares of the  
above named Company, hereby appoint : \_\_\_\_\_

- Name : \_\_\_\_\_ Address \_\_\_\_\_  
Signature : \_\_\_\_\_ or failing him; \_\_\_\_\_  
Email Id : \_\_\_\_\_
- Name : \_\_\_\_\_ Address \_\_\_\_\_  
Signature : \_\_\_\_\_ or failing him; \_\_\_\_\_  
Email Id : \_\_\_\_\_
- Name : \_\_\_\_\_ Address \_\_\_\_\_  
Signature : \_\_\_\_\_ or failing him; \_\_\_\_\_  
Email Id : \_\_\_\_\_

as my/our proxy to vote for me/us on my/our behalf at the **33rd ANNUAL GENERAL MEETING** of the Company to be held on **Tuesday, the 26th September, 2017 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, 2017.
2	Reappointment of Mr. Arvind Motasha, who retires by rotation.
3	Reappointment of Mr. Mukesh Motasha, who retires by rotation.
4	Appointment of Auditors and fixing their remuneration.
5	Approval of borrowing money upto Rs. 500 Crores
6	Approval of creation of charge / security over the assets of the company in respect of borrowing.
7	Approval for availing / already availed financial assistance from the related parties.
8	Approval to enter into a contract with related party under section 188 of the Companies Act, 2013.

Signed \_\_\_\_\_ day of \_\_\_\_\_ September, 2017

(Signature of Proxy Holder)

(Signature of Member)

#### Notes:

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

## Annual Report 2016-2017

### ROYAL CUSHION VINYL PRODUCTS LTD

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

#### ATTENDANCE SLIP

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

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

I hereby record my presence at the 33rd Annual General Meeting of the Company being held on Tuesday, the 26<sup>th</sup> September, 2017 at 12.30 p.m. at 60 CD, Shlok, Government Ind. Estate, Charkop, Kandivali (West), Mumbai 400 067.

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

#### Business Reply Inland Letter Card

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be paid by  
addressee

No postage  
stamp  
necessary if  
posted in  
India

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

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Second fold

**SENDER'S NAME AND ADDRESS**

\_\_\_\_\_  
\_\_\_\_\_

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



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**Royal Cushion Vinyl Products Limited**

(CIN No. - L24110MH1983PLCO31395)

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