

27th Annual Report
2010-2011



Royal Cushion Vinyl Products Limited



ROYAL CUSHION VINYL PRODUCTS LIMITED

BOARD OF DIRECTORS

Shri Mahesh. K. Shah - Chairman & Managing Director
Shri Vinod K. Shah - Executive Director
Shri Arvind V. Motasha
Shri Deepak A. Motasha
Shri Mukesh A. Motasha
Shri Jayesh A. Motasha

COMPANY SECRETARY

Shri H. K. Bijlani

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

REGISTERED OFFICE

60 CD, Shlok, Govt.Ind. Estate,
Charkop, Kandivli (West),
Mumbai 400067
Tel: 022 32655828, 022 28063514
Fax: 022 28603565

REGISTRAR & TRANSFER AGENTS

M/s Universal Capital Securities Pvt. Ltd.
(Formerly known as Mondkar Computes Pvt. Ltd.)
Unit: Royal Cushion Vinyl Products Ltd.,
21, Shakil Niwas, Mahakali Caves Road,
Andheri (East), Mumbai - 400 093
Tel: 28366620 / 28257641/62920
Fax: 28211996

WORKS

Plot No.55, Village. Garadhia
Taluka.Savli, Dist.Vadodara
Gujarat 391520
Tel: (02667) 251674-73

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ANNUAL REPORT 2010-2011



NOTICE

NOTICE is hereby given that the **27TH ANNUAL GENERAL MEETING** of the Members of **ROYAL CUSHION VINYL PRODUCTS LIMITED** will be held on **Friday, the 30th September, 2011 at 11.30 a.m.** at the Conference Room of 60 CD "SHLOK" Govt. Industrial Estate, Charkop, Kandivli (West), Mumbai 400 067, for the purpose of transacting the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the Financial Year ended 31st March, 2011, the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Arvind V Motasha who retires by rotation and being eligible, offers himself for re- appointment.
3. To appoint a Director in place of Mr. Mukesh A. Motasha who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next ANNUAL GENERAL MEETING & to fix their remuneration, **M/s. Chandrakant Sevantilal & J. K. Shah & Co, Chartered Accountants, Vadodara** retiring Auditors are eligible for re-appointment.

BY ORDER OF THE BOARD
For **ROYAL CUSHION VINYL PRODUCTS LTD.**

H. K. Bijlani
Gen. Manager Legal & Co.Secretary

Mumbai, 28th July, 2011
Registered Office
Shlok, 60 CD, Govt. Industrial Estate,
Charkop, Kandivli (West), Mumbai 400 067

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, 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. The Register of Members and Share Transfer books of the Company will remain closed from **Tuesday, the 20th September, 2011 to Thursday, 22nd September, 2011 (both days inclusive)** for the purpose of Annual Book Closure.
- c. 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), 21, Shakhil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 101. Tel No. 022 28257641, 022 28207203
- d. 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.**
- e. Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
- f. As per the provisions of the companies Act, 1956 facility for making nominations is available for Members in respect of the Shares, held by them. The members may take advantage of this amendment.

BY ORDER OF THE BOARD
For **ROYAL CUSHION VINYL PRODUCTS LTD.**

H. K. Bijlani
Gen. Manager Legal & Co.Secretary

Mumbai, 28th July, 2011
Registered Office
Shlok, 60 CD, Govt. Industrial Estate,
Charkop, Kandivli (West), Mumbai 400 067

Brief Resume of persons proposed to be due to retire by rotation and being eligible to offer themselves for re-appointment. The details are as under:

Name of Director	Mr. Arvind V Motasha	Mr. Mukesh A Motasha
Age	68 years	56 years
Name of public Companies in which he holds Directorship	NIL	NIL
Name of Companies in committees of which he holds membership / chairmanship other than Royal cushion Vinyl Products limited	NIL	NIL

DIRECTORS' REPORT

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

Your Directors have pleasure in presenting the 27th Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2011.

1) FINANCIAL RESULTS:

(₹ in Lacs)

Particulars	Current year ended 31.03.2011	Previous year ended 31.03.2010
Sales and operating income (includes changes in stocks)	4184.05	4223.95
Other Income	6.29	33.48
TOTAL INCOME	4190.34	4257.43
Total Expenditure	4565.69	4327.41
Profit/(loss) before interest and depreciation	(375.35)	(69.98)
Add: Finance & Bank Charges	1133.10	1106.45
Depreciation	791.23	806.89
Profit/(loss) before tax	(2299.68)	(1983.32)
Profit/(Loss) after taxation	(2299.68)	(1983.32)
Prior year's expenses	3.74	15.57
Bal. Brought forward from previous year	(43228.49)	(41229.60)
Balance carried forward to balance Sheet	(45531.91)	(43228.49)

2) PERFORMANCE:

The Company has achieved turnover of ₹ 4184.05 Lakhs as against ₹ 4223.95 Lakhs in the previous year. The reduction in turnover is mainly due to overall slowdown in export.

3) DIVIDEND:

In view of losses, the Board of Directors is unable to declare any dividend for the year 2010-2011.

4) Status With BIFR:

As reported in the earlier Annual Reports, the Company has been registered with BIFR since September, 2002. The BIFR in its hearing held on 23 February, 2010 passed an order for Change of Management on the ground that Company has not taken the effective steps. Against the said order, the Company has filed an Appeal to AAIFR challenging the order as Company has taken the various steps for repayment to the secured lenders. Accordingly our Appeal has been admitted and next date of hearing is fixed on 30 August, 2011. Based on this, we will be filing the fresh Draft Rehabilitation Scheme to BIFR under AAIFR direction. The Company is in active discussion with lenders for one time settlement.

During the current year M/s SICOM Limited has sanctioned a Term Loan of ₹ 40 crores for payment to lenders both secured and unsecured, working capital and interest funding.

5) FIXED DEPOSITS:

The Company has not received any deposit from Public during the year.

6) PARTICULARS OF EMPLOYEES:

Provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules 1975, are not applicable to the Company.

7) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of stores, raw materials including components, plant and machinery, equipments and other assets and also for the sale of goods.

8) HUMAN RESOURCES / INDUSTRIAL RELATIONS:

The Company has cordial industrial relations at all levels during the year under review.

9) DIRECTORS:

Shri. Arvind V Motasha and Shri Mukesh A Motasha, 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).

Members are aware that at the 26th A.G.M held on 29th September, 2010 duly approved the re-appointment of Mr. Mahesh K.Shah (Managing Director) and Mr. Vinod K.Shah and Mr. Mukesh M Motasha (Executive Directors). The Central Govt. of India vide their letter dated 9 March, 2011 and 13 May, 2011 respectively duly approved for re-appointment of Mr. Mahesh K Shah (Managing Director) and Mr. Vinod K Shah (executive Director) for the period of 3 (Three) Years from 01 April, 2011 to 31 March, 2014.

However as regards to re-appointment of Mr. Mukesh A Motasha the Central Government of India vide letter dated 18 May, 2011 has rejected our application. The Board is thankful to Mr. Mukesh A Moatsha for his kind gesture in respect of above matter.

10) DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, 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, 2011 the applicable accounting standards/practices had been followed along with proper explanation relating to material departures;
- b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end



- of the financial year and of the profit or loss of the Company for that period;
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Directors had prepared the accounts for the financial year ended 31st March, 2011 on a going concern basis.

11) CORPORATE GOVERNANCE:

A separate reports on Corporate Governance is annexed hereto as Annexure "A".

12) Particulars Regarding Conservation Of Energy, Technology Absorption And Foreign Exchange Earnings And Expenditure

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

13) AUDITORS' REMARKS & APPOINTMENT:

As regards the remarks & Qualifications in the Auditor's Report, please refer to the Notes forming Part of the

Accounts which are self-explanatory. M/s. Chandrakant & Sevantilal & J. K. Shah & Co., Chartered Accountants, Vadodara will retire as Auditors at the ensuing Annual General Meeting and are eligible for re-appointment.

You are requested to appoint Auditors.

The Company has received a letter from them to the effect that their re-appointment, if made would be within the limits specified under Section 224(1B) of the Companies Act, 1956.

14) ACKNOWLEDGEMENT:

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

On Behalf of the Board of Directors
For **ROYAL CUSHION VINYL PRODUCTS LTD.**

Place : Mumbai

Date : 28th July, 2011

Mahesh K. Shah

Chairman & Managing Director

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, etc. The Company has developed new product with combination of rubber and pvc for transport application.

OPPORTUNITIES AND THREATS:

The Company is amongst the market leaders in pvc vinyl flooring segment.. Recently, Company has made arrangement for working capital finance from M/s. SICOM Ltd. This will help the Company to improve the performance in the following years.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE:

The Company's prime business is manufacture of PVC products and therefore, there are no separate segments.

OUTLOOK:

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

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.

REPORT ON CORPORATE GOVERNANCE

(Annexure "A" forming part of Directors' Report in terms of Clause 49 of the Listing Agreement)

Corporate Governance

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

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

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

2. Board of Directors:

As on 1st April, 2011 the Board comprises **two Executive Directors** and **four Non Executive Directors**. During the year 2010-2011 the Board met 8 times on the following dates, namely 4 May, 2010; 30 June, 2010; 15 July, 2010; 30 July, 2010; 20 August, 2010; 30 October, 2010; 24 January, 2011 and 30 March, 2011.

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

Sr. No.	Name of the Director	Category of Director	No. of Board Meeting Attended	Attended Last AGM	Other Director-ship	Sitting Fees	Committee Membership	Committee Chairmanship
1.	Mr. Mahesh K. Shah	Executive, Promoter	8	Yes	1	-	Nil	Nil
2.	Mr. Vinod K. Shah	Executive, Promoter	8	Yes	3	-	Nil	Nil
3.	Mr. Arvind V. Motasha	Non-Executive, Promoter	5	Yes	1	-	3	1
4.	Mr. Deepak A. Motasha	Non-Executive, Promoter	8	Yes	2	-	3	1
5.	Mr. Mukesh A. Motasha	Executive, Promoter	7	Yes	-	-	Nil	Nil
6.	Mr. Jayesh A. Motasha	Non-executive, Promoter	7	Yes	2	-	3	1

As the Company is under BIFR (Sick Company), the management was unable to attract and the induct Professional and Independent Directors to meet the requirements of Clause 49 of the Listing agreement. 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 and Company Secretary acts as Secretary of the Committee. During the year 2010-2011, the Audit Committee held 4 meetings 15 July, 2010; 20 August, 2010; 30 October, 2010; 24 January, 2011. The role reference of the Audit Committee are stipulated under clause 49 of the Listing Agreement and Section 292A of Companies Act, 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. Jayesh A. Motasha – Chairman	4
2.	Mr. Arvind V. Motasha – Member	3
3.	Mr. Deepak A. Motasha – Member	4

Mr. H. K. Bijlani, Company Secretary acts as a Secretary of the Committee.

4. Shareholders'/ Investors' Grievance Committee:

(a) **Composition:** The Committee comprises Three Non-Executive Directors with Company Secretary of the Company to act as the compliance officer. During the year it held 4 meetings 15 July, 2010; 20 August, 2010; 30 October, 2010; 24 January, 2011.

(ii) **Investors' Complaints:** The Company has received only 1 complaint from investors and the same has been resolved during the year. There were no major share transfers pending for registration for more than 30 days as on 31.03.2011.

5. Remuneration Committee

The Remuneration Committee consist of three Non Executive Directors namely Mr. Jayesh A. Motasha, Mr. Arvind

V. Motasha and Mr. Deepak A. Motasha. Broad terms of reference of Remuneration committee included recommendation to the Board for salary/ perquisites payable to the Managing Director / Whole time Directors. During the current year i.e. 30th July, 2010 meeting was held for re-appointment of Mr. Mahesh K.Shah (Managing Director), Mr. Vinod K.Shah, (Executive Director) & Mr. Mukesh A. Motasha (Executive Director) on a remuneration + perquisites (subjects to approval of Shareholders and Central Government).

Details of Remuneration paid for the year 2010-11 are as under:

(₹ in Lacs)

Sr. No.	Name	Salary	Perquisites
1.	Mr. Mahesh K. Shah	4.50	2.04
2.	Mr. Vinod K. Shah	4.44	1.91
3.	Mr. Mukesh A. Motasha	4.44	3.33

The above Directors are entitled to get the remuneration of ₹ 15.00 Lacs p.a. (Mr. Mahesh Shah), ₹ 9.00 Lacs p.a. (Mr. Vinod Shah) and ₹ 9 Lacs p.a. (Mr. Mukesh A Motasha) respectively. As the Company is passing through Liquidity Crunch including paucity & shortage of working capital facilities and therefore the above Directors has drawn only minimum salary of ₹ 6.54 Lacs p.a., ₹ 6.35 Lacs p.a. and ₹ 7.76 Lacs p.a. respectively and Balance Salary and perquisites have forfeited.

Notice period for termination of appointment of Managing/ Executive Directors is three months on either side. Presently the Company does not have a scheme for grant of stock options either to the Executive Directors or employees.

No sitting fees is paid to any of the Directors for attending Board Meetings/ Audit Committee / Shareholders' grievance committee/ Investor Grievance Committee or Remuneration Committee as our Company is under BIFR.

6. 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.

7. General Body Meetings:

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

Year	2007-08	2008-09	2009-10
Date	27.09.2008	29.09.2009	29.09.2010
Time	11.30 a.m.	11.30 a.m.	11.30 a.m.
Venue	Company's Registered Office at 60 CD, Shlok, Govt. Ind. Estate, Charkop, Kandivli (West), Mumbai 400067	Company's Registered Office at 60 CD, Shlok, Govt. Ind. Estate, Charkop, Kandivli (West), Mumbai 400067	Company's Registered Office at 60 CD, Shlok, Govt. Ind. Estate, Charkop, Kandivli (West), Mumbai 400067

Mr. H. K. Bijlani, Company Secretary is Compliance Officer.

The functions and powers of the Shareholders/Investors Grievance Committee include review and redressal of complaints received from Shareholders relating to transfers, non-receipt of balance sheet, etc.

Number of shareholders complaints received during the year : one

Number of Complaints solved to the satisfaction of shareholders during the year : one

Number of pending Complaint as on 31.03.2011 : Nil

Number of Share Transfer pending for approval as at 31.03.2011 : Nil

8. Disclosures

a. 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.

b. The Company has complied with the requirements of the regulatory authorities on matters related to capital markets and no penalties/strictures have been imposed against the Company by Stock Exchange or SEBI or any Statutory authority during the last three years.

9. Means of Communication

The quarterly Unaudited and Audited yearly results were published in Free Press Journal (English) & Navshakti (Marathi) newspapers.

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



10. General Shareholder information

- A. Annual General meeting
Date and Time 30th September, 2011 at 11.30 a.m.
Venue At Conference Room of 60 CD "SHLOK"
Govt.Ind.Estate, Charkop, Kandivli (West),
Mumbai 400 067
- B. Financial Calendar
Financial Reporting for 1st Quarter ending 30th June, 2011 April to March
Financial Reporting for 2nd Quarter ending 30th Sept, 2011 On 4th August, 2011
Financial Reporting for 3rd Quarter ending 31st Dec, 2011 On or before the end of October, 2011
Audited Results for the year ending March, 2012 On or before the end of January, 2012
On or before the end of June, 2012
- C. **Date of Book closure**
Beginning Tuesday, the 20th September,
2011 to Thursday, the 22nd September,
2011 (both days inclusive)
- D. **Dividend payment date**
Not applicable
- E. **Listing on Stock Exchanges**
Bombay Stock Exchange Ltd.
- F. **Stock Code**
Bombay Stock Exchange Ltd.,
Mumbai : 526193
Demat ISIN No. CDSL & NSDL:
INE618A01011
- G. Market price data (High, Low Market price on Bombay Stock Exchange during each month of the financial year.

Month	Price		
	High (₹)	Low (₹)	Total No. of shares Traded
April' 2010	8.09	6.40	8,717
May' 2010	8.82	6.51	15,652
June' 2010	8.44	7.61	5,809
July' 2010	10.17	7.95	9,697
August' 2010	10.25	8.37	17,127
September' 2010	11.00	8.75	11,496
October' 2010	10.85	8.40	1,50,868
November' 2010	12.50	8.02	28,962
December' 2010	10.76	7.29	69,207
January' 2011	10.46	8.15	8,452
February' 2011	7.80	6.00	10,321
March' 2011	6.29	4.25	2,11,047

- H. Address for correspondence
- a. **Registrar and Share Transfer Agent**
M/s Universal Capital Securities Private Ltd.
(Formerly known as M/s. Mondkar Computer 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. H. K. Bijlani is the Company Secretary and compliance officer and 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: hkbijlani@samsons.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, 2011

Range No. of equity shares	No. of Shareholders	%	No. of Shares	%
Upto 500	2,815	82.94	5,23,284	4.33
501 – 1000	255	7.51	2,00,554	1.66
1001 – 2000	128	3.77	1,94,308	1.61
2001 – 3000	48	1.41	1,18,833	0.98
3001 – 4000	23	0.67	80,146	0.66
4001 – 5000	27	0.79	1,27,315	1.05
5001 – 10000	28	0.82	1,88,784	1.56
10001 and above	70	2.06	1,06,33,988	88.12
TOTAL	3,394	100.00	1,20,67,212	100.00

K. Shareholding pattern as on 31.03.2011

Category	No. of Shares	Percentage of Shareholding
Promoters (Including Foreign Promoters)	72,70,228	60.25
Mutual Fund & UTI	5,300	0.04
Banks, Financial Institutions, etc.	13,46,119	11.16
Private Corporate Bodies	6,84,393	5.67
NRIs	46,650	0.39
Indian Public	27,14,422	22.49
Grand Total	1,20,67,212	100.00

L. Dematerialisation of shares and liquidity

70,20,744 (58.13%) of Equity Shares of Rs. 10/- each have been dematerialised as on 31st March, 2011.

11. CFO CERTIFICATION:

As required under Clause 49 V of the Listing Agreement with the Stock Exchanges, Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended 31st March, 2011.

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 LTD.**

Place : Mumbai
Date : 28th July, 2011

Mahesh K. Shah
Chairman & Managing Director



ANNEXURE "B" TO THE DIRECTORS' REPORT

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

1. CONSERVATION OF ENERGY

ENERGY CONSERVATION MEASURE TAKEN :

- For steam boiler solid fuel (Wood) was replaced by agro waste Briquettes having better calorific value.
- Ban mixers 400HP motor, Conventional Star Delta starters replaced by Electronic Soft Starter.
- For Laminating M/c hot Oil circulating pump motor 15HP replaced by energy efficient motor.
- Two Roll mixing mill roll bearings replaced, to reduced motor current from 185Amp to 150Amp.

2. TECHNOLOGY ABSORPTION

A) R&D was specifically carried out in designing & development in products:

- A combination product of rubber and PVC was developed to substitute rubber products for bus flooring.
- A product with fabric back printed foam developed for local market.
- **Eco-Ride** a 1mm thick economical range was developed and introduced for transport flooring for less traffic vehicle.

- **In Gold line range** - Wood Plank, royal Galicha, Ambition flex & Allwood designs were developed and introduced.
- **In Royal 55 range** - Flowrance, Galicha-1, & New nest designs were developed and introduced.
- Vinyl Film for Furniture Application was developed & introduced to market.

B) Future Plans

- To develop more products in furniture film area for local market.
- To explore safety flooring market with new economical range to suit local market.

Foreign exchange earning and outgo

Sr. No.	Particular	Current Year ended on 31-3-11	₹ In Lacs	
			Previous Year ended 31-3-10	
1.	Fob value of Export	Nil	Nil	
2.	Foreign exchange outgo Import of Raw material Stores & Spares	615.96	467.67	
3.	Foreign Travels	2.27	2.30	4.52

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, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges of India.

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 the above mentioned Listing Agreement, except that the number of independent directors in the Board of Directors was lower than 50 percent of the total

strength of the Board of Directors as also the number of independent directors in the Audit Committee did not have majority under the sub-clause 1(A) of Clause 49 of the Listing Agreement.

We state that no investor grievance(s) is pending for a period exceeding one month as on 31st March, 2011 against the Company as per the records maintained by the Shareholders / Investors Grievance 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 Accountant

(H.B. Shah)
Partner
Membership No. 16642

Place : Vadodara
Date : 28th July, 2011

AUDITOR'S REPORT

We have audited the attached Balance Sheet of **ROYAL CUSHION VINYL PRODUCTS LIMITED**, as at 31st March, 2011 and also the annexed Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, we believe that our audit provides a reasonable basis for our opinion.

1) As required by the Companies (Auditors' Report) order, 2003 as amended by Companies (Auditor's Report) (Amendment) order, 2004 (together 'the order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of the information and explanation given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we give in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.

2) FURTHER AND SUBJECT TO OUR COMMENTS IN THE ANNEXURE REFERRED TO IN PARAGRAPH 1 ABOVE

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit.
- b) **In our opinion, Subject to treatment of certain expenses as deferred revenue expenditure, non-provision for Gratuity liability and non ascertainment and non accounting of impairment loss in respect of its Assets of Unit – III, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.**
- c) The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company.
- d) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of

clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- e) In our opinion the Balance Sheet, Profit and Loss Account, and the Cash Flow Statement dealt with by this report comply with the other Accounting Standards as referred to in the Section 211(3C) of the Companies Act, 1956 and
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subjects to:
- i) **Non compliance of Accounting Standard 26 " INTANGIBLE ASSETS " by treating certain expenditure as deferred revenue expenditure. (Refer Note No.: 5)**
 - ii) **Non disclosure of amount(s) owned to small scale industrial undertakings (Refer Note No: 6)**
 - iii) **Non reconciliation of accounts and balances in respect of Loans from Banks / Financial Institutions. (Refer Note No.: 11)**
 - iv) **Non provision for Gratuity liability as required by Accounting Standards 15 'Employee Benefits'. (Refer Note No.: 17)**
 - v) **Non-ascertainment and non-accounting of impairment loss of Assets of Unit – III as required by Accounting Standard 28 'Impairment of Assets'. (Refer Note No.: 18)**

and read with the other notes appearing thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- i) in the case of the Balance Sheet of the state of affairs, of the Company as at 31st March, 2011 and;
- ii) in the case of the Profit and Loss Account of the Loss for the year ended on that date.
- iii) in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

FOR CHANDRAKANT & SEVANTILAL & J.K.SHAH & CO.,

*Chartered Accountants
Firm Registration No. 101676W*

(H.B.SHAH)

Partner

Place : Vadodara
Date : 28th July, 2011

Membership No. 16642

**ANNEXURE TO THE AUDITORS' REPORT ON THE ACCOUNTS OF
ROYAL CUSHION VINYL PRODUCTS LIMITED FOR THE YEAR ENDED 31ST MARCH, 2011.**

(Referred to in Paragraph 1 thereof)

1.
 - a) The Company has maintained proper records to show full particulars including quantitative details and situation of Fixed Assets but, they need to be updated so as to include in the said register the addition made during each year as also allocation of the expenses capitalised to the relevant items of Fixed Assets and yearwise depreciation provided in respect of each Asset.
 - b) As informed, the Fixed Assets have not been physically verified by the management, during the current year. Accordingly, discrepancies, if any, cannot be ascertained and reported.
 - c) There has not been any substantial disposal of fixed assets during the year.
2.
 - a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion, the procedures of physical verification of Inventory (excepting inadequate/non prescribed procedure for identification and determination of non-moving, slow moving and/or unusable or non saleable items of stocks) followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) On the basis of our examination of inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
3.
 - a) The Company had taken unsecured loan from fifteen companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 1966.94 Lacs and the year end balance of loans taken from such companies was ₹ 1862.40 Lacs. The company has granted unsecured loan to one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 21.54 Lacs and the year end balance of loan granted to such company was ₹ 21.54 Lacs.
 - b) In our opinion, the rate of interest, where applicable, and other terms and conditions on which loans have been taken from/granted to Companies, listed in the register maintained under section 301 of the Companies Act, 1956 are not, *prima facie*, prejudicial to the interest of the Company except interest free advance in the nature of loan given to the Company during the year aggregating to ₹ 21.54 Lacs.
 - c) The Company is regular in repaying the principal amounts wherever stipulated and has been regular in the payment of interest wherever stipulated.
4. In our opinion and according to the information and explanations given to us, having regard to the fact that certain items purchased/sold are of unique and special nature and suitable alternative sources do not exist to obtain comparative quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have neither observed nor have been informed of any continuing failure to correct major weaknesses in internal controls.
5.
 - a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
 - b) In our opinion and according to the information and explanations given to us, having regard to the fact that certain items purchase/sold are of unique and special nature and suitable alternative sources do not exist to obtain comparative quotations, the transactions made in pursuance of contracts or arrangements entered into the register in pursuance to Section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5 Lacs in respect of each party during the year have been



made at prices which are reasonable having regard to the prevailing market prices at the relevant time and at the prices at which the transactions for similar goods have been made with other parties.

6. In Our Opinion, the Company has not complied with the provision of Section 58A of the companies Act, 1956 and the Companies (Acceptance of Deposits) Rule 1975 in so far as the return of deposit as required under Section 10 of the Act have not been filed with concerned authorities and the Company has not maintained the liquid assets as required by Rule 3(A) of Companies (Acceptance of Deposits) rules, 1975.
7. The Company does not have an Internal Audit System.
8. The Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
9.
 - a) According to the records of the Company, the Company is generally not regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax deducted at source, Sales tax, Customs Duty, Cess and other statutory dues applicable to it with the appropriate authorities.
 - b) According to the information and explanations given to us, undisputed amounts payable in respect of Wealth tax, Custom Duty, Sales tax, Excise Duty, Fringe Benefit Tax etc which have remained outstanding as at 31st March, 2011 for a period of more than six months from the date they become payable are as under:

Name of the Statute	Nature of the dues	Amount (₹)
Customs Act, (Refer Note No.7)	Custom Duty for the various years	61,79,34,353
Sales Tax Act GOA	Local Sales Tax for the year 2008-2009	10,48,810
Fringe Benefit Tax	For the year 2007-2008 For the year 2008-09	8,44,149 6,28,867
Provident Fund	For various years	21,78,630

- c) According to the information and explanations given to us there are no dues outstanding in respect of Sales tax, Income tax, Customs duty, Wealth tax, and Cess on account of any dispute except the following disputed amount in respect of:

Name of the Status	Nature of Dues	Amount (₹)	Forum where dispute is pending
The Central Excise Act.	Excise Duty	2.42 Lacs	Commissioner, Vadodara.
The Central Excise Act.	Excise Duty	6.35 Lacs	Appellate Tribunal, Mumbai

10. The accumulated losses of the Company as at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses in the current financial year and in the immediately preceding financial year.
11. The company has defaulted in repayment of dues to the Financial Institution and Banks for the period exceeding Five years. The entire Loan amount including Interest is due for payment as shown in Schedule 'C' forming part of Accounts.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not carrying on the chit fund business, hence, the provisions of any special statute applicable to chit fund are not applicable.
14. The Company is not dealing in or trading in shares, securities, debentures or other investments.
15. In our opinion and according to the information and explanations given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions during the year.

ROYAL CUSHION VINYL PRODUCTS LIMITED



16. The Company has not raised any term loans from any party during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investments. No long-term funds have been used to finance short-term assets.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. Since the Company does not raised have any debenture, the question of creation of securities does not arise.
20. Since the Company has not raised money by public issue, Clause (xx) of the Order is not applicable.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

FOR CHANDRAKANT & SEVANTILAL & J.K.SHAH & CO.,
Chartered Accountants
Firm Registration No. 101676W

Place :
Date : 28th July, 2011

Vadodara

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

ANNUAL REPORT 2010-2011



BALANCE SHEET AS AT 31st MARCH, 2011

	Schedule	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	A	120,672,120	120,672,120
Share Application Money		73,915,000	78,915,000
Reserves & Surplus	B	728,408,311	728,408,311
		922,995,431	927,995,431
LOANS FUNDS			
Secured Loans	C	1,858,745,628	1,859,926,490
Unsecured Loans	D	682,153,082	593,053,211
		2,540,898,710	2,452,979,701
TOTAL....		3,463,894,141	3,380,975,132
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	E	1,792,460,146	1,792,073,505
Less: Depreciation		1,193,168,832	1,114,523,374
		599,291,314	677,550,131
INVESTMENTS			
	F	1,969,089	2,259,262
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	G	164,305,963	155,181,387
Sundry Debtors	H	18,334,591	32,466,463
Cash & Bank Balances	I	2,078,585	1,061,746
Other Current Assets	J	364,778	364,778
Loans & Advances	K	53,665,840	51,750,693
		238,749,757	240,825,067
Less: Current Liabilities and Provisions			
Current Liabilities	L	1,271,576,941	1,247,012,896
Provisions	M	659,578,802	621,724,118
		1,931,155,743	1,868,737,014
NET CURRENT ASSETS (LIABILITIES)		(1,692,405,986)	(1,627,911,947)
Miscellaneous Expenditure (to the extent not written off or adjusted)	N	1,848,194	6,228,194
Profit and Loss Account (as per annexed accounts)		4,553,191,530	4,322,849,492
TOTAL....		3,463,894,141	3,380,975,132
Significant Accounting Policies and Notes on Accounts	X		

As per our report of even date

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

H.B.SHAH
(Partner)
Membership No. 16642
VADODARA.
DATE: 28th July, 2011

MUMBAI
DATE: 28th July, 2011

For **ROYAL CUSHION VINYL PRODUCTS LTD.**
M.K.SHAH **J.A.MOTASHA**
(Chairman & MD) (Director)
H.K. BIJLANI
(Company Secretary)

ROYAL CUSHION VINYL PRODUCTS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	Schedule	Year ended 31.03.2011 ₹	Year ended 31.03.2010 ₹
INCOME			
Sales & Operating Income	O	415,406,703	416,173,874
Other Income	P	629,256	3,348,687
		416,035,959	419,522,561
Change in stocks	Q	2,998,403	6,220,811
Total Income.....		419,034,362	425,743,372
EXPENDITURE			
Raw materials consumed	R	291,575,414	276,022,983
Manufacturing Expenses	S	86,130,499	81,304,847
Employees Cost	T	47,914,168	44,610,983
Administrative, Selling & other expenses	U	30,948,685	30,802,600
Finance & bank charges	V	113,310,398	110,645,185
Depreciation		79,122,988	80,688,658
Total Expenditure....		649,002,152	624,075,256
Loss before Tax		229,967,790	198,331,884
Prior years (Net of Income / Expenses)	W	374,248	1,557,279
Loss after Taxation		230,342,038	199,889,163
Loss Brought Forward from Previous Year		4,322,849,492	4,122,960,329
Balance Loss carried to Balance Sheet		4,553,191,530	4,322,849,492
Earning Per Share:			
Basic / Diluted EPS (₹)		(19.09)	(16.56)
Significant Accounting Policies and Notes on Accounts	X		

As per our report of even date

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

H.B.SHAH
(Partner)
Membership No. 16642
VADODARA.
DATE: 28th July, 2011

MUMBAI
DATE: 28th July, 2011

For ROYAL CUSHION VINYL PRODUCTS LTD.
M.K.SHAH (Chairman & MD) **J.A.MOTASHA** (Director)
H.K. BIJLANI
(Company Secretary)

SCHEDULES A TO N AND X FORMING PART OF THE BALANCE SHEET

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE A: SHARE CAPITAL		
AUTHORISED:		
30,000,000 (Previous year 30,000,000) equity shares of Rs 10/- each	<u>300,000,000</u>	<u>300,000,000</u>
ISSUED, SUBSCRIBED AND PAID-UP:		
12,067,212 (Previous Year 12,067,212) equity shares of Rs10/- each fully paid up (of the above shares:	<u>120,672,120</u>	<u>120,672,120</u>
a) 259,072 (P.Y. 259,072) Equity Shares of ₹10/- each are allotted as fully paid, without payments being received in cash		
b) 4,600,000 (P.Y. 4,600,000) Equity Shares of ₹ 10/- each are allotted as fully paid up by way of bonus shares by Capitalisation of General Reserve ₹ 15,798,821/- Share Premium ₹ 10,168,919/- Capital Reserve ₹ 5,737,150/- and balance in Profit and Loss Account ₹ 14,295,110/-		
c) Out of 259,072 equity shares 7,212 shares (P.Y.7,212) are allotted as fully paid up pursuant to the scheme of amalgamation.)		
	<u>120,672,120</u>	<u>120,672,120</u>
SCHEDULE B: RESERVES & SURPLUS		
CAPITAL RESERVE:		
Balance as per last Balance Sheet	<u>649,080</u>	<u>649,080</u>
INVESTMENT ALLOWANCE RESERVE:		
Balance as per last Balance Sheet	<u>4,534,000</u>	<u>4,534,000</u>
SHARE PREMIUM ACCOUNT:		
Balance as per last Balance Sheet	<u>723,225,231</u>	<u>723,225,231</u>
	<u>728,408,311</u>	<u>728,408,311</u>
SCHEDULE C: SECURED LOANS (Refer Note No.11)		
TERM LOANS		
From Banks / Institutions:		
Industrial Development Bank of India (Including interest accrued & due ₹ 10169.61 Lacs P.Y. ₹ 10169.61 Lacs)	<u>1,257,545,415</u>	<u>1,257,545,415</u>
Bank of India	<u>150,717,884</u>	<u>150,717,884</u>
Saraswat Co-op Bank Ltd. (Including interest accrued & due ₹ 354.51 Lacs P.Y. ₹ 354.51 Lacs)	<u>81,479,490</u>	<u>81,479,490</u>
Exim Bank	<u>18,272,560</u>	<u>18,272,560</u>
	<u>1,508,015,349</u>	<u>1,508,015,349</u>
Working Capital Term loan:		
Saraswat Co-op Bank Ltd. (Including interest accrued & due ₹ 48.80 Lacs P.Y. ₹ 48.80 Lacs)	<u>9,830,277</u>	<u>9,830,277</u>
Bank of India	<u>58,000,000</u>	<u>58,000,000</u>
	<u>67,830,277</u>	<u>67,830,277</u>
Other Term Loan From Banks / Institutions (Including interest accrued & due ₹ 46.28 Lacs (P.Y. ₹ 46.28 Lacs) (Total Installment Payable within one year ₹ 4427.09 lacs Previous Year ₹ 4427.09 lacs)	<u>35,733,375</u>	<u>36,914,237</u>
WORKING CAPITAL LOANS:		
From Banks		
Cash Credit Facility / Demand Loan	<u>200,083,409</u>	<u>200,083,409</u>
Packing Credit Facility	<u>47,083,218</u>	<u>47,083,218</u>
	<u>247,166,627</u>	<u>247,166,627</u>
	<u>1,858,745,628</u>	<u>1,859,926,490</u>

... Term Loans from Industrial Development Bank of India, Bank of India, Saraswat Co-operative bank and Exim Bank are secured by way of first charge ranking pari - Passu on all movable and immovable properties, present and future subject to the prior charge on specified movable created / to be created in favour of Bankers, by way of security for borrowings for working capital and further secured by personal guarantees of Promoters / Directors of the Company.

... Other Secured Term Loans (Including hire purchase loan) from Banks / Institutions are secured by hypothecation of respective machineries, equipments / vehicles and collateral security and personal guarantees of the Directors, wherever required as per the letter of sanction.

... Working Capital Loans from banks are secured by hypothecation of Raw material, Semi-Finished and Finished Goods and personal guarantees of Promoters / Directors of the Company and Collaterally secured by way of second charge ranking Pari-Passu with the other consortium Banks, over the entire Fixed Assets of the Company.



	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE D: UNSECURED LOANS		
TERM LOANS: (Refer Note No.11)		
From banks	423,080,775	411,219,635
From Company	247,914,825	180,889,628
From Directors	943,948	943,948
From Others	10,213,534	—
	<u>682,153,082</u>	<u>593,053,211</u>

SCHEDULES FORMING PART OF ACCOUNTS:

SCHEDULE E: FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 1.4.2010 ₹	Additions 2010-11 ₹	Deduction 2010-11 ₹	As at 1.4.2010 ₹	Addition 2010-11 ₹	Deduction 2010-11 ₹	As at 31.3.2011 ₹	As at 31.3.2010 ₹
Land (Freehold)	4,870,698	—	—	—	—	—	4,870,698	4,870,698
Buildings								
- Factory/Office/Canteen	169,810,600	259,361	—	70,994,335	5,218,120	—	93,857,506	98,816,265
- Guest House	477,115	—	—	81,911	7,777	—	387,427	395,204
- Internal Roads & Tube Well	5,894,029	—	—	1,107,220	96,073	—	4,690,736	4,786,809
Plant and Machineries	1,568,355,280	500,000	—	1,007,434,456	72,219,779	—	489,201,045	560,920,824
Vehicles	15,253,167	—	743,692	11,432,003	536,356	477,530	3,018,646	3,821,164
Furniture and Fixtures								
- Office	11,582,221	96,000	—	9,874,307	501,349	—	1,302,565	1,707,914
- Guest House	408,643	32,000	—	383,079	5,420	—	52,144	25,564
Office & Other Equipments	15,421,753	242,971	—	13,216,063	538,114	—	1,910,547	2,205,690
SUB TOTAL (A)	1,792,073,506	1,130,332	743,692	1,114,523,374	79,122,988	477,530	599,291,314	677,550,131
PREVIOUS YEAR	1,790,690,343	1,870,964	487,802	1,034,089,546	80,665,550	231,722	677,550,132	756,600,797

SCHEDULES A TO N AND X FORMING PART OF THE BALANCE SHEET

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE F: INVESTMENTS (Long Term) (At Cost)		
Trade, Unquoted:		
Investment in Shares of Subsidiary Company: 4,50,200 Shares (P.Y.4,50,200) in Euroroyal 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 (Refer Note No. 3)	25,931,404	25,931,404
Non Trade, Quoted:		
In shares:		
38,800 (P.Y.38,800) equity shares in Industrial Development Bank of India of ₹ 10/- each	5,044,000	5,044,000
Less: Allotment money payable	4,212,147	4,212,147
	831,853	831,853
Less: Provision for Diminution in value of Investment	831,853	831,853
Unquoted		
	-	-
1) In shares:		
30,000 (P.Y. 30,000) equity shares in Amitabh Bachchan Corporation Ltd of ₹ 10/- each fully paid up. (declared as sick company)	2,475,000	2,475,000
Less: Provision for Diminution in value of Investment	2,475,000	2,475,000
	-	-
5,010 (P.Y. 5,010) Shares in Swaminarayan Co-op Bank Ltd. of ₹ 25/- each fully paid up.	125,250	125,250
12,500 (P.Y. 12,500) shares in Baroda Peoples Co-op Bank Ltd. of ₹ 10/- each fully paid up.	125,000	125,000
7,500 (P.Y.7,500) shares in Baroda City Co-op Bank Ltd. of ₹ 10/- each fully paid up.	75,000	75,000
1,000 (P.Y.1,000) shares in Saraswat Co-op Bank Ltd. of ₹ 10/- each fully paid up.	10,000	10,000
1,083 (P.Y.1,083) shares in Saraswat Co-op Bank Ltd. of ₹ 10/- each fully paid up.	10,830	10,830
2) In Government Securities:		
- 7 years National Savings Certificates (Pledged with Excise authorities)	2,000	2,000
3) Investment by way of capital in a partnership firm	1,621,009	1,911,182
	1,969,089	2,259,262
SCHEDULE G: INVENTORIES		
(As taken, valued and certified by management)		
Raw Materials	61,034,729	60,837,903
Raw Materials (in-transit)	4,950,952	-
Work in Process	59,418,602	53,144,964
Finished goods	30,841,765	34,117,000
Packing Materials	1,567,326	1,089,048
Fuel	196,600	-
Consumable Stores	6,295,989	5,992,472
	164,305,963	155,181,387
SCHEDULE H: SUNDRY DEBTORS		
(Unsecured, Considered good subject to confirmation)		
Debt outstanding for a period exceeding Six Months	243,181,708	243,181,708
Less: Provision for Doubtful Debts (refer note no.3)	234,574,220	234,574,220
	8,607,488	8,607,488
Others	9,727,103	23,858,975
	18,334,591	32,466,463

SCHEDULES A TO N AND X FORMING PART OF THE BALANCE SHEET

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE I: CASH AND BANK BALANCES		
Cash on hand	177,665	98,439
Balances with Scheduled Banks (Refer Note: 11)		
. . . in current accounts	844,959	933,613
. . . in deposit accounts	<u>1,054,267</u>	<u>28,000</u>
	1,899,226	961,613
Balance with Co-op Bank:		
In current Account:	1,694	1,694
(Maximum amount outstanding at any time during the year ₹ 1,694/- (PY. ₹ 1,694/-)		
	<u>2,078,585</u>	<u>1,061,746</u>
SCHEDULE J: OTHER CURRENT ASSETS		
Advance Import Licence Disposed/Receivable	<u>364,778</u>	364,778
	<u>364,778</u>	<u>364,778</u>
SCHEDULE K: LOANS AND ADVANCES		
(Unsecured, considered good)		
Balances with Customs ,Excise Departments	4,134,248	2,850,620
Advances recoverable in cash or in Kind or for value to be received	<u>7,897,492</u>	<u>7,696,977</u>
Income tax	364,250	315,246
Deposits	15,169,850	14,787,850
Amount Paid to ARCIL towards Re-Construction package (Refer Note No. 15)	<u>26,100,000</u>	<u>26,100,000</u>
	<u>53,665,840</u>	<u>51,750,693</u>
SCHEDULE L: CURRENT LIABILITIES		
Sundry Creditors (refer note no. 6)	315,058,898	290,560,261
Interest payable [refer note no. 11(b)]	776,270,739	717,985,037
Other liabilities	<u>180,247,304</u>	<u>238,467,598</u>
	<u>1,271,576,941</u>	<u>1,247,012,896</u>
SCHEDULE M: PROVISIONS		
Provision for taxation	1,473,016	1,473,016
Provision for Custom duty including Interest (Refer note no.7)	655,759,464	617,934,390
Provision for Leave Encashment	<u>2,346,322</u>	<u>2,316,712</u>
	<u>659,578,802</u>	<u>621,724,118</u>
SCHEDULE N: MISCELLANEOUS EXPENDITURE		
Deferred Revenue Expenditure :		
Balance as per last Balance Sheet	6,228,194	11,242,641
Less: Expenses written off during the year	<u>4,380,000</u>	<u>5,014,447</u>
	<u>1,848,194</u>	<u>6,228,194</u>

SCHEDULES O TO X FORMING PART OF THE PROFIT & LOSS ACCOUNT

	Year ended 31.03.2011 ₹	Year ended 31.03.2010 ₹
SCHEDULE O: SALES AND OPERATING INCOME		
Sales (Net of Returns)	444,707,163	418,245,736
Less: Excise Duty	<u>36,078,138</u>	<u>28,362,791</u>
	408,629,025	389,882,945
Operating Income:		
Sale of scrap (Net of Excise)	1,311,604	1,622,048
Job work charges (Tds. ₹ 24339 /- P.Y. ₹ 9430/-)	1,216,960	471,520
Export Incentive	2,234,779	-
Exchange rate Difference	2,014,335	24,187,087
Commission on Highseas RM Sales	-	10,274
	<u>6,777,678</u>	<u>26,290,929</u>
	<u>415,406,703</u>	<u>416,173,874</u>
SCHEDULE P: OTHER INCOME		
Dividend (on non trade Investment)	179,500	2,832
Interest on fixed deposits	760	-
Interest on Income Tax Refund	-	4,938
Other Interest (Tds. ₹ 44900/- P.Y. ₹. 100197/-)	448,996	602,161
Provision for Diminution in value of investment written back	-	1,650,000
Profit on sales of Investment	-	1,045,950
Share of profit from partnership firm	-	42,806
	<u>629,256</u>	<u>3,348,687</u>
SCHEDULE Q: CHANGES IN STOCKS		
Closing Stock:		
Finished Goods	30,841,765	34,117,000
Work in Progress	<u>59,418,602</u>	<u>53,144,964</u>
	90,260,367	87,261,964
Opening Stock:		
Finished Goods	34,117,000	31,080,393
Work in Progress	<u>53,144,964</u>	<u>49,960,760</u>
	87,261,964	81,041,153
	<u>2,998,403</u>	<u>6,220,811</u>
SCHEDULE R: RAW MATERIALS CONSUMED		
Opening stock	60,837,903	72,557,096
Purchases & Expenses	<u>291,772,240</u>	<u>264,303,790</u>
	352,610,143	336,860,886
Closing stock	<u>61,034,729</u>	<u>60,837,903</u>
	291,575,414	276,022,983
SCHEDULE S: MANUFACTURING EXPENSES		
Power & Fuel	56,693,305	53,115,659
Consumable Stores	7,017,687	6,661,780
Design & Development	636,301	1,305,003
Packing Materials	15,719,174	14,629,708
Repairs and Maintenance for		
... Buildings	28,500	69,185
... Plant and Machinery	3,270,752	1,336,971
... Others	<u>1,101,813</u>	<u>1,175,265</u>
	4,401,065	-
Rent Forklift	385,112	361,069
Labour / Granulation Charges	-	1,413,056
Other Manufacturing Expenses	<u>1,277,855</u>	<u>1,237,151</u>
	<u>86,130,499</u>	<u>81,304,847</u>

SCHEDULES O TO X FORMING PART OF THE PROFIT & LOSS ACCOUNT

	Year ended 31.03.2011 ₹	Year ended 31.03.2010 ₹
SCHEDULE T : EMPLOYEES' COST		
Salaries, Wages, Allowances & Bonus	44,919,097	41,584,936
Contributions to Provident Fund	1,350,655	1,288,285
Contributions to ESIC	86,575	78,731
Gratuity	338,847	413,660
Staff & Workers Welfare	1,218,994	1,245,371
	<u>47,914,168</u>	<u>44,610,983</u>
SCHEDULE U : ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Travelling Expenses	982,616	1,675,217
Insurance Charges	850,982	1,015,221
Telephone Expenses	1,427,970	1,119,994
Vehicle Expenses	4,789,343	4,218,042
Lease Rent	1,387,552	1,379,964
Rates & Taxes	501,823	160,144
Donation	16,000	-
Auditors' Remuneration:		
... audit fees	184,000	184,000
... tax audit fees	33,000	33,000
... Other services	13,787	15,000
Legal & Professional fees	2,419,946	2,101,630
Freight Outward	2,453,429	2,523,034
Directors' Remuneration	1,915,205	1,840,520
Commission on Sales	-	22,477
Sales Promotion Expenses	1,012,167	1,104,624
Deferred Revenue Expenses written off (Refer Note No.5)	4,380,000	5,014,447
Loss on Sales of Fixed Assets	66,162	114,983
Loss on Share of partnership Firm	310,408	-
Miscellaneous expenses	8,204,295	8,280,303
	<u>30,948,685</u>	<u>30,802,600</u>
SCHEDULE V: FINANCE AND BANK CHARGES		
Interest:		
Term Loans	46,431,150	46,534,741
Other Loans	66,134,246	63,664,575
Bank Charges	745,002	276,288
Bill Discounting Charges	-	169,581
	<u>113,310,398</u>	<u>110,645,185</u>
SCHEDULE W: PRIOR YEARS' EXPENSES (NET OF INCOME)		
Raw Material	29,417	-
Salary & Wages	16,716	199,257
Interest others	93,238	856,908
Repairs & Maint.for P&M	11,160	244,712
Legal and Professional Fees	72,676	271,500
Travelling expenses	63,765	(13,538)
Import /Export Expenses	24,854	131,335
Other Expenses	62,422	(132,895)
	<u>374,248</u>	<u>1,557,279</u>

SCHEDULE X:**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED ON 31 st MARCH, 2011****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, 1956 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:

- (i) Fixed assets are stated at cost of acquisition as reduced by CENVAT and VAT credits as available under the respective laws and accumulated depreciation. The cost of fixed assets comprises direct /indirect and incidental cost incurred to bring them in to their present location and working condition for the intended use or purpose. All costs, including financial costs till fixed assets are put to use are capitalized.
- (ii) All indirect expenses incurred during project implementation and on trial run are treated as incidental expenditure during construction and capitalised.

1.5 DEPRECIATION:

- (i) Depreciation is provided on Straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 except on certain Plant & Machineries which have commenced commercial production during 1992-93 and 1993-94, on which depreciation has been provided on written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- (ii) Freehold land is not amortised/depreciated.
- (iii) Intangible assets are amortised over their estimated useful life on straight line method basis.

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 inventory.
- (iii) Raw Materials, 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 Account.
- (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 account. The additional liability, if any, in respect of the above arising on retirement and not covered/not funded are paid / provided and accordingly, charged to the profit and loss account in the year of retirement/payment or otherwise.
- (iii) Liability for Leave Encashment is determined based on the number of days of encashable leave to the credit of each employees as on the balance sheet date and provided in accounts on accrual basis.



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 Account
- (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 Account.
- (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 Account 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 leases 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 DEFERRED REVENUE EXPENDITURE:

One time significant expenditure, the benefit of which is likely to accrue over a longer period as per the management's judgment is treated as deferred revenue expenditure and written off within a period of not exceeding five years including year of incurrence of expenditure.

1.14 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 account 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.

1.15 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.

1.16 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.

02. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

	31.03.2011 (₹ in Lacs)	31.03.2010 (₹ in Lacs)
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 by Excise Authorities & disputed by the Company	158.84	158.84
d) Penalty Imposed by FERA & disputed by the Company	100.00	-
e) Custom duty payable on Import of duty free capital goods, amounts unascertainable.		
f) Penalties, if any, in respect of custom duty liabilities for import of raw materials under advance licence scheme and of capital goods under EPCG Scheme amount unascertainable.		
g) Suits filed against the Company for recovery of dues, amount unascertainable.		

Note: Not ascertained by the Company as the relevant details are not received from the Banks.

03. The Company has made an investment of ₹ 259.31 Lacs (£ 450.200) in Euroroyal Floors Ltd. ("ERF") wholly owned subsidiary in U.K. The subsidiary also owes ₹ 2,333.75 Lacs (Net of commission payable ₹ 106.19 Lacs) towards supply of goods made to it. The principal customers of ERF in Russia did not honour the debts, due to this ERF in turn, could not pay its credit. The Company has been informed by the ex-local Directors of ERF that one of the creditors had filed a suit for winding-up of ERF pursuant to which the High Court of Justice of U.K. made a winding-up order dated 11th June, 2001 against ERF and the official receiver has been appointed to liquidate the assets of ERF. Thereafter order dated 12/03/2002 was passed and ERF is dissolved Under the circumstances, the Management had provided for diminution in value of investment made in ERF in the year 2000-01. As also, provision against the debt of ₹ 2333.75 Lacs due from ERF had been made during the earlier year.
04. 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 31.03.2011 are as under.
- | a) | Sr.No. | Name of Partners | Share |
|----|--------|--|----------------|
| | i | Shri P.C.Raval | 0.50% |
| | ii | Shri S. P. Jariwala | 0.50% |
| | iii | M/s. Royal Cushion Vinyl Products Ltd. | 99.00% |
| | | | 100.00% |
- b) The total Capital of the Partners is ₹ 11.26 Lacs. (Net)
- c) The above details about investment and names of partners are based on the information certified by a partner.
05. The Company had incurred, during the previous years, revenue expenditure on fees to IDBI, ARCIL and legal consultant for restructuring of financial debt with bank, financial institution and creditors; and lease line charges for internet facilities, which was considered, will give long term benefits. The Company had decided to treat the same as deferred revenue expenditure and to write off the same over a period of five years including the year of incurrence of such expenditure in equal installment, and accordingly:
- a) A sum of ₹ 43,80,000 lacs being 1/5th of expenditure towards legal fees to IDBI and ARCIL for restructuring of financial debts with bank, and lease line charges for internet facilities incurred during the previous years is written off during the year.
- b) The balance of ₹ 18,48,194 is carried forwarded as deferred revenue expenditure and shown under the head Miscellaneous Expenditures.
06. Under the Micro, Small and Medium Enterprise Development Act, 2006 ("MSMED Act") which came into force effective from 2nd October 2006, certain disclosures relating to amounts due to micro, small and medium enterprises and remained unpaid after the appointed date etc. of principal and interest amounts 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.
07. Under the Duty Exemption Scheme of Advance Licence (as well as similar other licence scheme) pursuant to Import & Export Policy of Government of India, duty free imports of raw materials are permitted and they are required to be used in manufacturing of goods for export, as well as, export of goods has to be effected within the time allowed, in terms of the scheme.
- The Company has availed of such licences from time to time. In the past, it had fulfilled its export obligations. However, although the Company had imported duty free raw material under certain licences, hence it could not effect export within the time allowed due to circumstances beyond the control of the Company. The Company has evaluated its obligations under the scheme and it has been advised that in view of non fulfillment of export obligations, the authorities are bound to recover the import duty and mandatory interest thereon. The liability for such duty & interest as on 31.03.2011 is estimated at ₹ 6,557.59 Lacs. (P.Y. ₹ 6,179.34 Lacs)
- In terms of accounting policy followed by the Company, the sum of ₹ 6,179.34 Lacs had been provided in earlier years & the balance sum of ₹ 378.25 Lacs being interest on custom duty has been provided in the current year.
- The company have received various demand notes amounting to ₹ 3580.81 lacs from DGFT towards pending export obligation.
- These order are challenged by the company with the concerned authorities and matter for recovery of dues is pending due to BIFR status of the company
08. Loans & Advance includes:
- a) ₹ 21.54 Lacs (P.Y. ₹ 21.47 Lacs) due from a Company under the same management.
Maximum outstanding during the year is ₹ 21.54
- b) ₹ Nil Lacs (P.Y. ₹ 20.00 Lacs) due from other parties.
09. The Company has suffered substantial losses and due to this, the entire net worth has been eroded. However, since operations are continued, the accounts of the Company have been prepared on the basis that the Company is a going concern.



10. Sundry Debtors & Creditors (Including foreign suppliers) are subject to confirmation.
11. 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 31.03.2011 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 have not charged interest for the year. However, the Company has provided interest at the normal rate applicable on the closing balance of loan amount appearing in the books of account (except on outstanding Loan balance of IDBI, Exim Bank and Bank of India, (Ref. Note no. 15) and shown as interest payable under the head current liabilities.

12. Segment Reporting:

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

13. 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.

14. Accounting for Lease:

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

Particulars

- 1) Lease payment recognised in Profit and Loss Account for the year.
- 2) Future MLP under the Leases in the aggregate and for each of the following periods
- i) Not later than one year
- ii) Later than one year & not later than Five Year
- iii) Due after five years

	2010-11 ₹ in lacs	2009-10 ₹ in lacs
	17.41	17.41
	0.70	0.70
	-	-
	-	-

15. BIFR status and advance share application money:

The Company has been registered with the Board for Industrial and Financial Reconstruction (BIFR) since September, 2002. Asset Reconstruction Company (I) Ltd (ARCIL) vide its letter dtd. 12.09.2006 has agreed to restructure the debt acquired by them from IDBI, Exim Bank and Bank of India. The Company has initiated negotiation with ARCIL and other lenders for one time settlement. As per the restructuring package, the company has to pay to ARCIL an amount aggregating to ₹ 37.75 crs by Sept 28, 2009. Out of this, the Company has paid ₹ 2.61 crs till 31st March, 2011. The Company is re-negotiating for one time settlement with ARCIL and other lender BIFR, vide order dtd. 23 Feb, 2010 directed for change of management against which the company has filed an appeal in AAIFR. The next hearing of AAIFR is scheduled on 30th August, 2011. The Company has submitted the DRS dtd. 22nd Oct, 2010 to BIFR and other lender. The Promoters of the Company are required to bring additional funds as per D. Accordingly, the Promoters have brought funds as share application money and unsecured loan and also bought share application money from business associates. The shares will be issued to Promoters in the manner approved by BIFR and subject to other approval as may be required.

16. 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 repayments, payment of interest etc.

17. In respect of the staff gratuity, under the group gratuity scheme with Life Insurance Corporation of India (LIC) for the payment of Gratuity in respect of its several employees, the Company has discontinued effecting the payment in respect of periodical premium contribution towards the said scheme from accounting year 2005-06 onwards. The present liability for future payment of gratuity as on 31st March, 2011 is not actuarially determined and has not been provided in the accounts. The liability in respect of uncovered employees/unfunded or shortfall amount would be accounted in the year of payment.

18. The operations of Unit III of the Company for manufacturing of 4 mtr floor covering have been discontinued from 2001-2002 due to excess rejections. The company is regularly taking trials to ensure that the line is in order. The Company has used the services of a marketing firm 'Drshti Strategic Research Services Pvt. Ltd' and obtained market survey report in May 2008 with an objective to explore the market in India. The last production trial was taken in April'08 to explore commercial possibilities. There has been no commercial production since 2001-2002, the Company has not carried out assessment of assets particularly plant & machinery having book value of ₹ 2007.50

lacs as on 31st March'11 and ascertained recoverable amount of assets of the above Unit III and accordingly has not ascertained impairment loss. The same would be carried out in the ensuing financial years and impairment loss, if any will be accounted in that year.

19. NAME OF RELATED PARTIES AND RELATIONS

(A) SUBSIDIARY COMPANY	(B) ASSOCIATES CONCERN/TRUST	(C) KEY MANAGEMENT PERSONNEL
a) Euroroyal Flor Ltd.	a) Vinyroyal Plasticoates Ltd.	a) Mahesh Kantilal Shah
	b) Vijayjyot Seats Pvt Limited	b) Vinod Kantilal Shah
	c) Samsons Leather cloth Manufacturing Co. Pvt. Ltd.	c) Mukesh Amrutlal Motasha
	d) Royal Knitting Pvt Limited	
	e) Royal Spinwell Pvt Limited	
	f) Royal Jerfeb Pvt Limited	
	g) Nityanand Overseas Trading	
	h) Royal Wellknit Pvt Limited	
	i) Shreedaha Trading & Consultancy Services Pvt Limited	
	j) Shreeshah Trading & Consultancy Services Pvt Limited	
	k) Bhaktavatsala Trading & Consultancy Services Pvt Limited	
	l) Trilokesh Trading & Consultancy Services Pvt Limited	
	m) Vishwamurthy Trading Consultancy Services Pvt Limited	
	n) Sumukh Trading & Cosultancy Services Pvt Limited	
	o) Lokwami Trading & Cosultancy Services Pvt Limited	
	p) Sahishnu Trading & Cosultancy Services Pvt Limited	
	q) Sughosh Trading & Cosultancy Services Pvt Limited	
	r) Trilokmata Trading & Cosultancy Services Pvt Limited	
	s) M.V.Trust Properties	
	t) Vijay Knitting Pvt. Ltd.	

RELATED PARTY TRANSACTIONS

(₹ in Lacs)

Sr. No.	Nature of transaction	2010-11			2009-10		
		Subsidiary	Associates	Key Management Personnel	Subsidiary	Associates	Key Management Personnel
1	Advance for purchase of Assets	-	21.54	-	-	21.47	-
2	Deposit given against Rented Property	-	60.00	-	-	60.00	-
3	Loan Payable as on 31-03-2011	-	1,442.57	-	-	1,229.72	-
4	Loan Received	-	238.05	-	-	-	-
5	Payable as on 31-03-2011	-	1,975.28	-	-	2,679.52	-
6	Purchase of Raw materials	-	65.69	-	-	108.76	-
7	Receivable as on 31-03-2011	2333.75*	-	-	2333.75*	-	-
8	Remuneration	-	-	20.64	-	-	19.76
9	Repayment of Loan	-	5.20	-	-	-	-
10	Sales of Finished Goods	-	1,008.20	-	-	1,288.80	-

Notes:

*In respect of above parties, there is no provision for doubtful debts as on 31st March'2011 except ₹ 2,333.75 Lacs provided in respect of due by the Subsidiary Company in earlier year.

- 20** Sales and operating Income includes ₹ 19,90,462 (P.Y. ₹ 2,41,87,087) being exchange rate difference in respect of advances received from customers for exports of goods through third party.
- 21** 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) ₹ 28.80 lacs (Previous year ₹ 25.97 lacs)
- 22.** Earning per Share

	2010-11	2009-10
(a) Net profit/(Loss) after tax available for equity shareholders (₹ in Lacs)	(2303.42)	(1,998.89)
(b) Average number of Equity shares of ₹ 10/- each outstanding during the year (No.of Shares)	12067212	12067212
(c) Basic/Diluted Earnings per Share (₹) (a/b)	(19.09)	(16.56)

ROYAL CUSHION VINYL PRODUCTS LIMITED



23. DIRECTORS' REMUNERATION:

	2010-11 ₹	2009-10 ₹
Salaries	13,338,000	1,338,000
Perquisites	726,155	637,970
	2,064,155	1,975,970

24. DETAILS OF CAPACITY & PRODUCTION:

Item	Unit	* Licensed Capacity	* Installed Capacity	* Production
PVC Floor Covering	Lac Sqm	Not * Applicable	220.00 (220.00)	1.85 (0.00)
PVC Laminated Sheet/Tile	Lac Sqm	Not * Applicable	215.00 (215.00)	88.05 (90.73)
PVC Leather Cloth	Lac LM	Not * Applicable	30.00 (30.00)	3.94 (0.00)

* As certified by the management

25. DETAILS OF TURNOVER:

Item		2010-11		2009-10	
		Qty. (Lacs)	₹ lacs	Qty. (Lacs)	₹ lacs
PVC Floor Covering	SQM	1.76	353.33	—	—
PVC Laminated Sheet /Tiles	SQM	89.84	3,787.71	88.84	4,173.13
PVC Leather Cloth	LM	3.94	306.03	0.58	9.33
			4,447.07		4,182.46

26. DETAILS OF INVENTORIES

Item		2010-11		2009-10	
		Qty. (Lacs)	₹ lacs	Qty. (Lacs)	₹ lacs
Cushion Vinyl Flooring	SQM	0.01	0.40	0.01	0.40
PVC Floor Covering	SQM	0.10	15.05	—	—
PVC Laminated Sheet /Tiles	SQM	2.77	292.96	4.56	340.77
			308.41		341.17

27. RAW MATERIAL CONSUMED

Item	2010-11		2009-10	
	Qty. (MT)	Value ₹ lacs	Qty. (MT)	Value ₹ lacs
PVC Resin	3,065.68	1,228.77	3,070.62	1,177.36
Plastisizers	2,495.04	961.57	2,085.59	955.19
Othes		725.41		627.68
		2,915.75		2,760.23

28. CONSUMPTION OF RAW MATERIALS, STORES & SPARES

Raw Materials	2010-11		2009-10	
	₹ lacs	%	₹ lacs	%
Imported	640.73	22	472.14	17
Indigenous	2275.02	78	2,288.09	83
	2915.75	100	2,760.23	100
Stores & Spares				
Imported	2.55	4	2.05	3
Indigenous	67.63	96	64.57	97
	70.18	100	66.62	100

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29. CIF VALUE OF IMPORTS:

	2010-11 ₹ lacs	2009-10 ₹ lacs
Raw Materials	615.96	467.67
Stores & Spares	2.55	2.05
	<u>618.51</u>	<u>469.72</u>

30. EXPENDITURE IN FOREIGN CURRENCY: (on accrual basis)

	2010-11 ₹ lacs	2009-10 ₹ lacs
Stores & Spares	2.27	2.30
Foreign Travel	0.36	4.52

32. COMPARATIVE FIGURES:

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

Signature to Schedules A to X

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

H.B.SHAH
(Partner)
Membership No. 16642
VADODARA.
DATE: 28th July, 2011

For **ROYAL CUSHION VINYL PRODUCTS LTD.**

M.K.SHAH
(Chairman & MD)

J.A.MOTASHA
(Director)

H.K. BIJLANI
(Company Secretary)

MUMBAI
DATE: 28th July, 2011

ROYAL CUSHION VINYL PRODUCTS LIMITED



CASH FLOW STATEMENT

(₹ in Lacs)

	Year ended 31.03.2011	Year ended 31.03.2010
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax, extra - ordinary items & Prior Period Expenses/Income	(2,299.68)	(1,983.32)
Adjustment for:		
Depreciation	786.45	804.34
(Profit) on sales of Investment	-	(26.96)
Finance Charges	1,133.10	1,106.45
Interest Received	(0.01)	(0.05)
Provision for Doubtful Debts written back		
Dividend Received	(1.80)	(0.03)
Operating profit before working capital changes	1,917.76	1,883.75
Adjustment for:	(381.92)	(99.57)
Inventories	(91.25)	59.00
Trade & Other Receivables	141.32	(9.51)
Loans & Advances	(19.15)	82.73
Other current assets	-	4.17
Trade Payables	245.64	(194.33)
Provisions	378.55	386.35
Cash generated from operation	273.19	228.85
Misc. Expenditure (Net)	43.80	50.14
Cash before Extraordinary items & prior Period Expenses	316.99	278.99
Prior period expenditure (Net of Income)	(3.74)	(15.57)
Cash after Extraordinary items & prior Period Expenses	313.24	263.42
Less: Income Tax Paid	-	-
Fringe Benefit Tax Paid	-	-
Net Cash from operating activities	313.24	263.42
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (net)	(3.87)	(13.83)
Sale of investments	-	26.96
Sales / Purchase of Investment	2.90	(2.25)
Interest Received	0.01	0.05
Dividend Received	1.80	0.03
Net Cash Used in Investing Activities	0.84	10.96
C) CASH FLOW FROM FINANCING ACTIVITIES		
Borrowing	879.19	814.65
Share application money	(50.00)	
Interest paid	(1,133.10)	(1,106.45)
Net Cash in Financing Activities	(303.91)	(291.81)
Net Increase in cash and cash collection (A+B+C)	10.17	(17.43)
Cash & Cash Equivalents at the beginning of the year	10.62	28.05
Cash & Cash Equivalents at the end of the year	20.79	10.62

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

For ROYAL CUSHION VINYL PRODUCTS LTD.

M.K.SHAH
(Chairman & MD)

J.A.MOTASHA
(Director)

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

H.K. BIJLANI
(Company Secretary)

VADODARA.
DATE: 28th July, 2011

MUMBAI
DATE: 28th July, 2011



BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT,1956.

1	Registration Details	
	Registration Numbers	31395
	State Code	11
	Balance Sheet Date	31.03.2011
2	Capital Raised during the year	
	Public issue	NIL
	Right issue	NIL
	Bonus issue	NIL
	Private placement	NIL
3	Position of Mobilisation and Deployment of funds	(Rs.)
	Total Liabilities	3,463,894,141
	Total Assets	3,463,894,141
	SOURCES OF FUNDS	
	Paid - up Capital	120,672,120
	Reserve & Surplus	728,408,311
	Share application money	73,915,000
	Secured loans	1,858,745,628
	Unsecured Loans	682,153,082
	APPLICATION OF FUNDS	
	Net Fixed Assets	599,291,314
	Investments	1,969,089
	Net Current Assets	(1,692,405,986)
	Misc. Expenditure	1,848,194
	Accumulated Losses	4,553,191,530
4	Performance of Company	
	Turnover (Income - after changes in stock)	419,034,362
	Total Expenditure	649,002,152
	Profit / (Loss) Before Tax	(229,967,790)
	Profit / (Loss) After Tax	(230,342,038)
	Earning per share (Rs.)	(19.09)
	Dividend Rate @ %	NIL
5	Generic Names of two Principal Products / Services of company	
	(As per Monetary Terms)	
	Item Code No. (ITC code)	39209929
	Product Description	PVC Laminated Sheet
	Item Code No. (ITC code)	59031000
	Product Description	PVC Leathercloth

For & behalf of ROYAL CUSHION VINYL PRODUCTS LTD.

M.K.SHAH
(Chairman & MD)

J.A.MOTASHA
(Director)

H.K. BIJLANI
(Company Secretary)

MUMBAI
DATE: 28th July, 2011

ROYAL CUSHION VINYL PRODUCTS LTD

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

Dear Shareholders,

Date: 30 August, 2011

Sub: Green Initiative in Corporate Governance - Electronic Mode of Services of documents

The Ministry of Corporate Affairs, Government of India, has by Circular Nos. 17/2011 dated 21 April, 2011 and 18/2011 dated 29 April, 2011 respectively, clarified that a Company will have complied with the provisions of the Companies Act, 1956, if service of notice(s) / document(s) on its shareholders has been made through electronic mode. This initiative by the government is indeed commendable and your Company supports the same. We are sure, that as a responsible shareholder, you too will support this initiative.

In this regards we proposed to sent the shareholders henceforth documents like Notices of Meetings, Annual Reports, Directors' Report, Auditors' Report and other shareholder communication will be sent electronically to the email address provided by you to the Depository Participant and made available to the Company by the Depositories viz. NSDL / CDSL. **As and when there are changes in your email address, you are requested to keep your Depository Participant (DP) informed of the same.**

However if communications require, in physical form, you can register by accessing email id hkbijlani@samsons.com or return this reply to the **Company at our registered office** i.e. 60 CD, Shlok, Government Industrial Estate, Charkop, Kandivali (Wets), Mumbai – 400 067 or at Investor Service Department Address i.e. **M/s Universal Capital Securities Private Limited, Unit: Royal Cushion Vinyl Products Limited, 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093. Tel: 28366620/ 28257641/62920, Fax: 022 28211996**

But if you do not opt to receive the aforesaid documents in physical form or you do not respond to this on or before 15 October, 2011 you will be deemed to have opted for receiving documents from the Company in electronic form by email and accordingly, all the Communication would be sent to you in electronic form by email to your email address available in records of the Company.

Kindly note that if you still wish to get the hard copy of the above documents, the Company will be send the same, free of cost, upon receipt of a request from you.

Thanking you,

Yours sincerely,
For **Royal Cushion Vinyl Products Limited**

Sd/-
H. K . Bijlani
General Manager Legal and Company Secretary

Folio No. / DP ID & Client ID : _____
Name of 1st Registered Holder : _____
Name of Joint Holder(s) : _____
Email Address (to be registered) : _____
Mobile no. : _____

Date: _____

Signature: _____

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be paid by
addressee

BUSINESS REPLY INLAND LETTER CARD

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ROYAL CUSHION VINYL PRODUCT LIMITED
60 CD, Shlok, Government Industrial Estate,
Charkop, Kandivali (West), Mumbai - 400 067.
Tel: 022-32655828, 022 28603514 / 16

Second Fold

Sender's Name and Address

Pin Code: _____

First Fold

Tear Here



ROYAL CUSHION VINYL PRODUCTS LTD

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



PROXY FORM

I/ We _____

of _____

Being a Member of the above named Company, hereby appoint _____

failing him/her _____

of _____

as my/our proxy to vote for me/us on my/our behalf at the 27TH ANNUAL GENERAL MEETING of the Company to be held on Friday, the 30th September, 2011 at 11.30 a.m. at 60 CD, Shlok, Govt. Ind. Estate, Charkop, Kandivli (West), Mumbai 400067 and at any adjournment thereof.

Membership Folio No. _____

DPID No. _____

Signed _____ day of _____ September 2011

Client ID No. _____

No. of shares held _____

(Signature of Member)

Re. 1/-
Revenue
Stamp

Important:

- (a) The form should be signed across the stamp as per specimen signature registered with the Company/Depository participant.
- (b) The Companies Act, 1956 lays down that an instrument appointing a proxy shall be deposited not less than FORTY EIGHT HOURS before the time for holding the meeting at the Registered Office of the Company situated at 60 CD, SHLOK, GOVT.IND.ESTATE, CHARKOP, KANDIVLI (WEST),MUMBAI 400067.



ROYAL CUSHION VINYL PRODUCTS LTD

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



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 27th ANNUAL GENERAL MEETING of the Company being held on Friday, the 30th September, 2011 at 11.30 a.m at 60 CD, Shlok, Government Ind. Estate, Charkop, Kandivli (West), Mumbai 400 067.

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

BOOK POST

If undelivered return to:

ROYAL CUSHION VINYL PRODUCTS LIMITED

60 CD, Shlok, Govt.Ind. Estate,

Charkop, Kandivli (West),

Mumbai 400067