

# Vinyl Flooring in Marble & Wooden Patterns

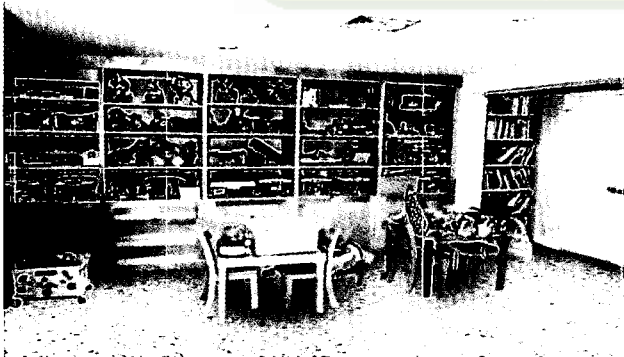


## Designer Vinyl Flooring

- Shops
- Offices
- Homes
- All other Medium Traffic Areas

## Great Value Safety Flooring

- Healthclubs and Gyms
- Kitchen areas of hotels
- Wet areas like around swimming pool
- Bathrooms



## Colourful Flooring

- Children's Activity Zones
- Shopping Malls
- Food Courts
- Star Hotel Rooms
- Lobbies & Lounges
- Schools
- Any other Heavy Traffic Area

## Transport Flooring

- Railway Coaches
- Passenger Buses



# ROYAL CUSHION VINYL PRODUCTS LIMITED

## NOTICE

### 24<sup>TH</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the 24<sup>TH</sup> ANNUAL GENERAL MEETING of the Members of **ROYAL CUSHION VINYL PRODUCTS LIMITED** will be held on Saturday, the 27th September, 2008, 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 31<sup>st</sup> March, 2008, 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. Deepak 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 retiring Auditors are eligible for reappointment.

### SPECIAL BUSINESS :

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

"RESOLVED THAT subject to the approval of the Central Government, and other consents, permissions as may be required and pursuant to the provisions of Sections 198,269,309,310 and 311 and all other applicable provisions of the Companies Act, 1956( hereinafter referred to as the "Act") read with Schedule XIII of the Act, the Company hereby approves the re-appointment of Mr. Mahesh K. Shah as Managing Director of the Company for a period of 3 (three) years commencing from 1<sup>st</sup> April, 2008 upon the terms and conditions and the Remuneration, perquisites to be paid or granted to him in the manner & limit as set out in the Explanatory Statement & draft Agreement between the Company & Mr. Mahesh K. Shah placed before this Meeting & initiated by the Chairman of the Board for the purpose of identification given below & the same is hereby approved.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central government and Schedule XIII to the Companies Act, 1956 the Board of Directors be and is hereby authorized to vary or increase the remuneration, including salary, perquisites, allowances etc. within such prescribed limit or ceiling be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in the General Meeting.

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

RESOLVED FURTHER THAT Mr. H. K. Bijlani, Company Secretary be and is hereby authorized to file necessary forms with ROC including making application to the Central Government as required under Companies Act, 1956."

6. To consider and, if though fit, to pass with or without modifications, the following Resolutions as a 'special resolution'.

"RESOLVED THAT subject to the approval of the Central Government, and other consents, permissions as may be required and pursuant to the provisions of Sections 198,269,309,310 and 311 and all other applicable provisions of the Companies Act, 1956( hereinafter referred to as the "Act") read with Schedule XIII of the Act, the Company hereby approves the re-appointment of Mr. Vinod K. Shah as Executive Director of the Company for a period of 3 (three) years commencing from 1<sup>st</sup> April, 2008 upon the terms and conditions and the Remuneration, perquisites to be paid or granted to him in the manner & limit as set out in the Explanatory Statement & draft Agreement between the Company & Mr. Vinod K. Shah placed before this Meeting & initiated by the Chairman of the Board for the purpose of identification given below be & the same is hereby approved.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central government and Schedule XIII to the Companies Act, 1956 the Board of Directors be and is hereby authorized to vary or increase the remuneration, including salary, perquisites, allowances etc. within such prescribed limit or ceiling be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in the General Meeting.

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

RESOLVED FURTHER THAT Mr. H. K. Bijlani, Company Secretary be and is hereby authorized to file necessary forms with ROC including making application to the Central Government as required under Companies Act, 1956."

7. To consider and, if though fit, to pass with or without modifications the following as a 'special resolution':

"RESOLVED THAT subject to the approval of the Central Government and other consents, permissions as may be required and pursuant to the provisions of Sections 198,269,309,310 and 311 and all other applicable provisions of the Companies Act, 1956( hereinafter referred to as the "Act") read with Schedule XIII of the Act, the Company hereby approves the re-appointment of Mr. Mukesh A. Motasha, Executive Director of the



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Company for a period of 3 (three) years commencing from 1<sup>st</sup> April, 2008 upon the terms and conditions and the Remuneration, perquisites to be paid or granted to him in the manner & limit as set out in the Explanatory Statement & draft Agreement between the Company & Mr. Mukesh A. Motasha placed before this Meeting & initiated by the Chairman of the Board for the purpose of identification given below be & the same is hereby approved.

**RESOLVED FURTHER THAT** in the event of any statutory amendment or modification or relaxation by the Central government and Schedule XIII to the Companies Act, 1956 the Board of Directors be and is hereby authorized to vary or increase the remuneration, including salary, perquisites, allowances etc. within such prescribed limit or ceiling be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in the General Meeting.

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

**RESOLVED FURTHER THAT** Mr. H. K. Bijlani, Company Secretary be and is hereby authorized to file necessary forms with ROC including making application to the Central Government as required under Companies Act, 1956."

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

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

Mumbai, 30<sup>th</sup> June, 2008  
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. AN EXPLANATORY STATEMENT as required under Section 173(2) of the Companies Act, 1956 relating to the Item No. 5 to 7 of the Notice is annexed hereto.
- c. The Register of Members and Share transfer books of the Company will remain closed from Monday, the 18<sup>th</sup> August, 2008 to Thursday, the 21<sup>st</sup> August, 2008 (both days inclusive) for the purpose of annual book closure.
- d. Members are requested to notify any change in their address to the Company's registrar and share transfer

agents at M/s. Mondkar Computers Private Limited, 21, Shakhil Niwas, Mahakali Caves Road, Andheri ( East), Mumbai 400 093.

- e. 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.
- f. 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.
- g. 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.
- h. The information or details pertaining to the appointment of Directors including retiring by rotation being eligible for re-appointment at the ensuing AGM are furnished as given below.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:**

**ITEM NO.5**

The members at the Annual General Meeting held on 21<sup>st</sup> September, 2004 and Govt. of India, Ministry of Company Affairs, New Delhi (Central Govt) vide letter dt. 5.5.2005 had approved the Appointment of Mr. Mahesh K. Shah, as Managing Director w.e.f. 1<sup>st</sup> April, 2005 to 31<sup>st</sup> March, 2008. The Board of Directors / Remuneration Committee of the Company at its' meeting held on 29<sup>th</sup> April, 2008 reappointed Mr. Mahesh K. Shah as Managing Director for a further period of 3 years w.e.f. 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2011 subject to approval of shareholders and Central Govt. under Section 198, 269, 309, 310 & 311 & schedule XIII of the Co's Act, 1956.

Mr. Mahesh K. Shah is one of the promoters of the Company and Managing Director since its inception. He is playing a prominent role in the Company's future endeavors and activities. The Board of Directors consider that services of Mr. Mahesh K. Shah as Managing Director will be valuable asset for the Company. The Draft Agreement to be entered into by the Company with Mr. Mahesh K. Shah contain the following terms & conditions:

1. Mr. Mahesh K. Shah be appointed as Managing Director of the Company with effect from 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2011.
2. The Company shall pay to Mr. Mahesh K. Shah in consideration of the performance of his duties as Managing Director, the following Remuneration.
 

a. Salary	Rs. 75,000/- per month
b. Other Perks	Company will give other perks such as H.R.A, Reimbursement of Electricity, medical reimbursement leave travel allowances & other perks to the extent of Rs. 50,000/- p.m
c. Leave	As per rules of the Company
d. Gratuity	As per rules of the Company



## ROYAL CUSHION VINYL PRODUCTS LIMITED

- |   |  |
|---|--|
| e. Provision of Cars & Telephones         | For use on Company's business and telephones at residence. Personal long distance calls shall be billed by the Co to Mr. Mahesh K. Shah  |
| f. Provident fund and Superannuation fund | Contribution to Provident Fund and Superannuation Fund to the extent these singly or put together are not taxable under the Income Tax Act.  |
| g. Personal Accident Insurance            | For self and family  |
| h. Minimum Remuneration                   | Not with standing the above where in any financial year during the currency of the term of office as Managing Director, the Company has made no profits or its profits are inadequate, the Company will pay the same remuneration as minimum remuneration by way of salary and other and perquisites to the extent of Rs. 1,25,000/- per month.<br>* The perquisites shall be evaluated as per the actual cost or Income Tax Rules, as applicable. |

Mr. Mahesh K. Shah so long as he functions as a Managing Director shall not be paid any sitting fees for attending meetings of the Board of Directors or Committee thereof.

The Agreement shall be terminable at any time either party by giving 3 months notice of such termination without assigning any reason and neither party will have any claim by reason of such termination. In any event the Managing Director shall not be entitled to any compensation in cases mentioned in Section 318(3) of the Companies Act, 1956.

Mr. Mahesh K. Shah is concerned & interested in the Resolution Item No.5. Mr. Vinod K. Shah, brother is also be regarded as concerned & interested in the above Resolution. None of other Directors shall be deemed to be concerned or interested in the resolution.

The draft agreement between the Company and Mr. Mahesh K. Shah is available for inspection to the members of the Company at its Registered Office between 11.00 a.m and 5.00 p.m on any working days of the Company.

The Board recommends approval of the re-appointment of Mr. Mahesh K. Shah as Managing Director of the Company.

This may be treated as an abstract under Section 302 of the Act of the terms of the appointment and remuneration payable to the Managing Director with effect from 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2011.

### Item No. 6:

The members at the Annual General Meeting held on 21<sup>st</sup> September, 2004 and Govt. of India, Ministry of Company Affairs, New Delhi (Central Govt) vide letter dt. 5.5.2005 had approved the Appointment of Mr. Vinod K. Shah, as Executive Director w.e.f. 1<sup>st</sup> April, 2005 to 31<sup>st</sup> March, 2008. The Board of Directors / Remuneration Committee of the Company at its' meeting held on 29<sup>th</sup> April, 2008 reappointed Mr. Vinod K. Shah as Executive Director for a further period of 3 years

w.e.f. 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2011 subject to approval of shareholders and Central Govt. under Section 198, 269, 309, 310 & 311 & schedule XIII of the Co's Act, 1956.

Mr. Vinod K. Shah is one of the promoters of the Company & managing the Company since its inception. He is responsible for technical including Plant Activities. The Board of Directors consider that the services of Mr. Vinod K. Shah as Executive Directors will be valuable asset to the Company. The Draft Agreement to be entered into by the Company with Mr. Vinod K. Shah contain the following terms & conditions:

1. Mr. Vinod K. Shah be appointed as Executive- Director of the Company with effect from 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2011.
2. The Company shall pay to Mr. Vinod K. Shah in consideration of the performance of his duties as Executive Director, the following Remuneration.
  - a. Salary Rs. 75,000/- per month
  - b. Other Perks Company will give other perks such as H.R.A, Reimbursement of Electricity, medical reimbursement, leave travel allowances & other perks to the extent of Rs. 50,000/- p.m
  - c. Leave As per rules of the Company
  - \* d. Gratuity As per rules of the Company
  - \* e. Provision of Cars & Telephones For use on Company's business and telephones at residence. Personal long distance calls shall be billed by the Co to Mr. Vinod K. Shah
  - \* f. Provident fund and Superannuation fund Contribution to Provident Fund and Superannuation Fund to the extent these singly or put together are not taxable under the Income Tax Act.
  - g. Personal Accident Insurance For self and family
  - h. Minimum Remuneration Notwithstanding the above where in any financial year during the currency of the term of office as Executive- Director, the Company has made no profits or its profits are inadequate, the Company will pay the same remuneration as minimum remuneration by way of salary and other perquisites to the extent of Rs. 1,25,000/- per month.  
\* The perquisites shall be evaluated as per the actual cost or Income Tax Rules, as applicable.

Mr. Vinod K. Shah so long as he functions as a Executive Director shall not be paid any sitting fees for attending meetings of the Board of Directors or Committee thereof.

The Agreement shall be terminable at any time either party by giving 3 months notice of such termination without assigning any reason and neither party will have any claim by reason of such termination. In any event the Executive

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Director shall not be entitled to any compensation in cases mentioned in Section 318(3) of the Companies Act, 1956.

Mr. Vinod K. Shah is concerned & interested in the Resolution Item No.6. Mr. Mahesh K. Shah, brother is also be regarded as concerned & interested in the above Resolution. None of other Directors shall be deemed to be concerned or interested in the resolution.

The draft agreement to be entered into by the Company with Mr. Vinod K. Shah is available for inspection to the Members of the Company at Registered Office between 11.00 a.m and 5.00 p.m on any working days of the Company.

The Board recommends approval of the re-appointment of Mr. Vinod K. Shah as Executive Director of the Company.

This may be treated as an abstract under Section 302 of the Act of the terms of appointment and remuneration payable to the Executive Directors with effect from 1<sup>st</sup> April, 2008.

**Item No. 7 :**

The members at the Annual General Meeting held on 21<sup>st</sup> September, 2004 and Govt. of India, Ministry of Company Affairs, New Delhi (Central Govt) vide letter dt. 5.5.2005 had approved the Appointment of Mr. Mukesh Motasha, as Executive Director w.e.f. 1<sup>st</sup> April, 2005 to 31<sup>st</sup> March, 2008. The Board of Directors / Remuneration Committee of the Company at its' meeting held on 29<sup>th</sup> April, 2008 reappointed Mr. Mukesh A. Motasha as Executive Director for a further period of 3 years w.e.f. 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2011 subject to approval of shareholders and Central Govt. under Section 198, 269, 309, 310 & 311 & schedule XIII of the Co's Act, 1956.

Mr. Mukesh A. Motasha is one of the promoters of the Company managing the Company since its inception. He is responsible for local sales including Indian Railways & International Marketing activities. The Board of Directors consider that his service as Executive Director will be valuable asset to the Company.

The Draft Agreement to be entered into by the Company with Mr. Mukesh A. Motasha contain the following terms & conditions:

1. Mr. Mukesh A. Motasha be appointed as Executive-Director of the Company with effect from 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2011
2. The Company shall pay to Mr. Mukesh A. Motasha in consideration of the performance of his duties as Executive- Director, the following Remuneration.
  - a. Salary Rs. 75,000/- per month
  - b. Other Perks Company will give other perks such as H.R.A, Reimbursement of Electricity, medical reimbursement, leave travel allowances & other perks to the extent of Rs. 50,000/- p.m
  - c. Leave As per rules of the Company
  - \* d. Gratuity As per rules of the Company
  - \* e. Provision of Cars & For use on Company's business and telephones at residence.

**Telephones**

Personal long distance calls shall be billed by the Co to Mr. Mukesh A. Motasha

- \* f. Provident fund and Superannuation Fund

Contribution to Provident Fund and Superannuation fund to the extent these singly or put together are not taxable under the Income Tax Act.

- g. Personal Accident Insurance For self and family

- h. Minimum Remuneration

Notwithstanding the above where in any financial year during the currency of the term of office as Executive- Director, the Company has made no profits or its profits are inadequate, the Company will pay the same remuneration as minimum remuneration by way of salary and other perquisite to the extent of Rs.1,25,000/- per month.

\* The perquisites shall be evaluated as per the actual cost or Income Tax Rules, as applicable.

Mr. Mukesh Motasha so long as he functions as a Executive Director shall not be paid any sitting fees for attending meetings of the Board of Directors or Committee thereof.

The Agreement shall be terminable at any time either party by giving 3 months notice of such termination without assigning any reason and neither party will have any claim by reason of such termination. In any event the Executive Director shall not be entitled to any compensation in cases mentioned in Section 318(3) of the Companies Act, 1956.

Mr. Mukesh A. Motasha is concerned & interested in the Resolution Item No.7. Mr. Deepak A. Motasha (Director), Mr. Jayesh Motasha (Director) and Mr. Arvind V. Motasha (Director) relatives of Mr. Mukesh Motasha are concerned & interested in the proposed Resolution. None of the other Directors shall be deemed to be concerned or interested in the Resolution.

The draft agreement to be entered into by the Company with Mr. Mukesh A. Motasha is available for inspection to the Members of the Company at Registered Office between 11.00 a.m and 5.00 p.m on any working days of the Company.

This may be treated as an abstract under Section 302 of the Act of the terms of appointment and remuneration payable to the Executive Directors with effect from 1<sup>st</sup> April, 2008.

BY ORDER OF THE BOARD

For ROYAL CUSHION VINYL PRODUCTS LTD.

H. K. BIJLANI  
GEN.MANAGER LEGAL & CO.SECRETARY

Mumbai, 30<sup>th</sup> June, 2008  
Registered Office  
Shlok, 60 CD, Govt. Industrial Estate,  
Charkop, Kandivli (West), Mumbai 400 067

# ROYAL CUSHION VINYL PRODUCTS LIMITED



## ANNEXURE FORMING PART OF THE EXPLANATORY STATEMENT.

### 1. GENERAL INFORMATION

(As required under Part II(C) OF Schedule XIII in respect of Mr. Mahesh K.Shah, Mr. Vinod K.Shah and Mr. Mukesh A. Motasha.

#### (1) Nature of Industry

The Company is engaged in the business of manufacturing of Vinyl Flooring.

#### (2) Commercial production:

The Company was incorporated on 21<sup>st</sup> November, 1983 & commercial production is already commenced.

#### (3) Financial Performance based on given indicators-As per published audited financial results for the accounting year ended 31<sup>st</sup> March, 2008

Particulars	(Rupees in Lacs)
Turnover and other income	7024.01
Loss after tax	(1687.88)
Loss brought forward from previous year	(36918.62)
Net Worth	(29326.54)

#### (4) Export performance – NIL

### II. INFORMATION ABOUT THE APPOINTEE

#### (1) Background details-

Mr. Mahesh K.Shah is a rank holder from the Bombay University, in M.Sc Organics. He was the President of PLASTINDIA FOUNDATION, an apex body of Plastic Association of India and Ex-Chairman of PLEXCONCIL (Plastic Export Promotion Council).

#### (2) Past Remuneration-

During the last financial year 2007-08, Mr. Mahesh K.Shah's remuneration was Rs.5.06 lacs per annum (inclusive of perquisites)

#### (3) Job profile and his suitability

Mr. Mahesh K.Shah is responsible for over all management of the Company, subject to the supervision and control of the Board of Directors. He is also responsible to perform such other duties as may from time to time be entrusted by the Board. Taking into consideration the qualifications and expertise, he is best suited for the responsibilities assigned to him by the Board of Directors.

#### (4) Remuneration proposed

Salary	Rs. 75,000/- per month
Perquisites & Allowance	Rs.50,000/- per month
Minimum Remuneration in case of Inadequacy of profits during any financial year	Salary, perquisites and allowances as mentioned above.

#### (5) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.

Taking into consideration the size of the company, the profile of the appointee, the responsibilities shouldered by him and the industry benchmarks, the remuneration

proposed to be paid is commensurate with the remuneration package paid to similar senior level appointees in other companies.

#### (6) Pecuniary relationship:

Mr. Mahesh K.Shah is concerned & interested in the Resolution Item No.5. Mr. Vinod K.Shah, brother is also be regarded as concerned & interested in the above Resolution. None of other Directors shall be deemed to be concerned or interested in the resolution

### B. Mr. Vinod K.Shah (Executive Director)

#### (1) Background details-

Mr. Vinod K.Shah is a technocrat (B.E.Electrical) having more than 25 years of industrial experience. Mr. Vinod K.Shah is looking after the Operations & production of the Company.

#### (2) Past Remuneration

During the last financial year 2007-08 Mr. Vinod K.Shah's remuneration was Rs. 5.77 lacs per annum (inclusive of perquisites) per annum.

#### (3) Job profile and his suitability

Mr. Vinod K.Shah responsible for operations & production of the Company and is subject to the supervision and control of the Board of Directors. He is also responsible for performing such other duties as may from time to time entrusted by the Board. Taking into consideration the qualifications and expertise, he is best suited for the responsibilities assigned to him by the Board of Directors.

#### (4) Remuneration proposed

Salary	Rs. 75,000/- per month
Perquisites & Allowance	Rs.50,000/- per month
Minimum Remuneration in case of Inadequacy of profits during any financial year	Salary, perquisites and allowances as mentioned above.

#### (5) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.

Taking into consideration the size of the company, the profile of the appointee, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration package paid to similar senior level appointees in other companies.

#### (6) Pecuniary Relationship :

Mr. Vinod K.Shah is concerned & interested in the Resolution Item No.6. Mr. Mahesh K.Shah, brother is also be regarded as concerned & interested in the above Resolution. None of other Directors shall be deemed to be concerned or interested in the resolution

### (C) MR. MUKESH MOTASHA (EXECUTIVE DIRECTOR)

#### (1) Background details

Mr Mukesh A.Motasha is a known International Marketing Savvy. He is a technologist and Textile Engineer. He has rich experience of International markets.



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(2) Past Remuneration

During the last financial year 2007-08 Mr. Mukesh Motasha remuneration was Rs. 5.86 lacs per annum (inclusive of perquisites per annum)

(3) Job profile and his suitability

Mr. Mukesh Motasha is associated with the Company right from inception & is subject to the supervision and control of the Board of Directors. He is responsible for local sales including Indian Railways & International Marketing activities. He is also responsible to perform such other duties as may from time to time be entrusted by the Board. Taking into consideration the qualifications and expertise, he is best suited for the responsibilities assigned to him by the Board of Directors.

(5) Remuneration proposed.

Salary	Rs. 75,000/- per month
Perquisites & Allowance	Rs.50,000/- per month
Minimum Remuneration in case of Inadequacy of profits during any financial year	Salary, perquisites and allowances as mentioned above.

## (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.

Taking into consideration the size of the company, the profile of the appointee, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration package paid to similar senior level appointees in other companies.

(7) Pecuniary Relationship:

Mr. Mukesh A. Motasha is concerned & interested in the Resolution Item No.7. Mr. Deepak A. Motasha (Director), Mr. Jayesh Motasha (Director) and Mr. Arvind V.Motasha (Director) relatives of Mr. Mukesh Motasha are concerned & interested in the proposed Resolution. None of the other Directors shall be deemed to be concerned or interested in the Resolution.

**Details of Directors seeking re-appointment at the ensuing Annual General Meeting, the details are as under:**

Name	Mr.Mahesh K.Shah	Mr.Vinod K.Shah	Mr.Mukesh Motasha
Age	58 years	55 years	53 years
Nature of expertise	Financial, & Administration	Technical	Marketing
Name of Public Companies in which he holds Directorship	Nil	Nil	Nil
Name of companies in the committees of which he holds membership/chairmanship other than Royal Cushion Vinyl Products Ltd	Nil	Nil	Nil

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

Name	Mr.Arvind Motasha	Mr.Deepak Motasha
Age	65 years	55 years
Nature of expertise	Commercial Matters	Marketing
Name of Public Companies in which he holds Directorship	Nil	Nil
Name of companies in the committees of which he holds membership/ chairmanship other than Royal Cushion Vinyl Products Ltd	Nil	Nil



# ROYAL CUSHION VINYL PRODUCTS LIMITED

## BOARD OF DIRECTORS

Shri M. K. Shah	-	Chairman & Managing Director
Shri V. K. Shah	-	Executive Director
Shri A. V. Motasha		
Shri D. A. Motasha		
Shri M. A. Motasha	-	Executive Director
Shri J. 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.  
Tel.: 0265-2353043 / 2353470

## WORKS

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

## BANKERS

Oriental Bank of Commerce  
Standard Chartered Bank  
The Saraswat Co-op. Bank Ltd.

## REGISTERED OFFICE

60 CD, Shlok, Govt.Ind. Estate,  
Charkop, Kandivli (West),  
Mumbai 400 067.

## REGISTRAR & TRANSFER AGENT

Mondkar Computers 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

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# ANNUAL REPORT 2007-2008

## DIRECTORS' REPORT

To  
The Members of  
Royal Cushion Vinyl Products Limited,

Your Directors have pleasure in presenting the 24<sup>th</sup> Annual Report together with Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2008.

## FINANCIAL RESULTS: (Rs.in Lacs)

Particulars	Current year ended 31.03.2008	Previous year ended 31.03.2007
Sales and operating income (includes changes in stocks)	6715.01	6452.89
Other Income	309.00	244.85
TOTAL INCOME..	7024.01	6697.74
Total Expenditure	6664.57	7234.47
Profit/(loss) before interest and depreciation	359.44	(536.73)
Add: Finance & Bank Charges	1184.57	3668.02
Depreciation	801.85	792.60
Profit/(loss) before tax	(1626.98)	(4997.35)
Provision for fringe benefit tax	8.44	9.57
Profit/(Loss) after taxation	(1635.42)	(5006.92)
Prior year's expenses	52.46	339.67
Bal. Brought forward from previous year	(36918.62)	(5346.60)
Balance carried forward to balance Sheet	(36606.50)	(36918.62)

## PERFORMANCE:

The Company has achieved turnover of Rs. 6715.01 lacs as against Rs. 6452.89 lacs in previous year. This improvement is mainly due to sale of high value products to transport and railway sector .

ARCIL has taken over the debts from IDBI, BOI & Exim Bank. The Company has submitted modified scheme to ARCIL and the discussion is on. Further, the Company has submitted DRS to various bankers and the negotiation with these are in advance stage.

## DIVIDEND:

In view of the losses, the Board of Directors is unable to declare any dividend for the year 2007-2008.

## INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company is primarily engaged in manufacturing of Vinyl floorings, which are used in households, commercial offices, showrooms , Railway and transport sector.

The Company has developed high value added products in for transport application. With the growth in infrastructure, the passenger carriers have registered a growth of nearly 33%. Vinyl flooring has been mainly used in passenger buses for flooring. The company's turnover has been increased in this segment in the current year to Rs. 608 lacs , last year it was Rs. 368 lacs .The Company has been shortlisted for the business with Marcopolo( Tata's JV) and already supplying to Tata , Ashok Leyland & Volvo.

The Railway has upgraded the quality of vinyl flooring and since Sept 2007, the supply to Railway started. Due to opening up of these new business area the company's performance is improved in later half of the year. We expect the trend to

increase in coming year and company therefore should have a better performance.

## OPPORTUNITIES AND THREATS

The Company is a market leader in vinyl flooring segment particularly in high product for Transport and Railway. The consumption of vinyl flooring in Transport & Railway is increased with higher percentage growth. The Company has all geared up to meet these challenges and continue to be a leader in this sector.

The Company has already developed products for commercial areas for high traffic and safety flooring. Due to lack of working capital, the Company is not in a position to launch these products. The Company is only running at approximately 55 to 60% of the installed capacity.

The lower end of vinyl flooring market has a tough competition from cheaper imports including local market players. Hence the company is giving more focus on high value added products.

## SEGMENT WISE OR PRODUCT WISE PERFORMANCE :

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

## OUTLOOK:

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

## RISKS AND CONCERNS

The main cause of concern is lower import duty on finished products. Cheaper imports of finished product are likely to impact margins of these products. The company is focusing on shifting the product mix towards the high end product for better realization.

As reported in last year's Annual Report, the Company is currently referred to BIFR. The ability of the Company at this stage to obtain working capital is a concern. Once the company's debt is restructured, the situation shall improve. Besides the competition between the unorganized sector & higher duties in VAT, Excise duty etc. increased in prices of major raw materials causes a concern. Due to non availability of working capital limits from banks, the company performance will affect.

## 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.

## MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ IND. RELATIONS FRONT.

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

## STATUS WITH BIFR:

As reported in the earlier Annual Reports, the Company has been registered with BIFR since September, 2002. The IDBI, BOI, & EXIM Bank have transferred their debts to ARCIL & Company have negotiated & agreement for settling their dues. The company has already settled entire dues of UBI under one time settlement and has initiated negotiation with rest of banks for One Time Settlement. On finalization of above, a Draft Rehabilitation Scheme ( DRS) for the company will be