

## NOTICE

NOTICE is hereby given that the 26<sup>TH</sup> ANNUAL GENERAL MEETING of the Members of **ROYAL CUSHION VINYL PRODUCTS LIMITED** will be held on **Wednesday, the 29<sup>th</sup> September, 2010 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, 2010, 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. Deepak A Motasha who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Jayesh 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 and approvals 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, 2011 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 & initialed 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 and approvals 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, 2011 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 & initialed 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 and approvals 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 Company for a period of 3 (three) years commencing from 1<sup>st</sup> April, 2011 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 & initialed 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> July, 2010  
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 **Tuesday, the 14<sup>th</sup> September, 2010 to Thursday, the 16<sup>th</sup> September, 2010** (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, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093. Tel No. 28257641.
- 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 Directors retiring by rotation being eligible for re-appointment at the ensuing AGM are furnished as given below.

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

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

Mumbai, 30<sup>th</sup> July, 2010  
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 & being eligible to offer themselves for re-appointment. The details are as under:**

Name	Mr. Deepak Motasha	Mr. Jayesh Motasha
Age	57 years	53 years
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

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

**ITEM NO.5**

The members of the Annual General Meeting held on 24<sup>th</sup> September, 2008 and Govt. of India, Ministry of Company Affairs, New Delhi (Central Govt) vide letter dt. 27<sup>th</sup> Jan, 2009 & 22<sup>nd</sup> June, 2009, **had approved the Appointment of Mr. Mahesh Shah, as Managing Director w.e.f. 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2011.** The Board of Directors / Remuneration Committee of the Company at its' meeting held on 30<sup>th</sup> July, 2010 reappointed Mr. Mahesh K.Shah as Managing Director for a further period of 3 years w.e.f. 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2014 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 the Managing Director 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, 2011 to 31<sup>st</sup> March, 2014.**
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 expenses 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. 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: Notwithstanding the above where in any financial year during the currency of the term of office as Managing Director, the Company has made no profits or its profits are inadequate, the Company will pay the same remuneration as minimum remuneration by way of salary and other and perquisites to the extent of Rs. 1,25,000/- per month.

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

Mr. Mahesh K. Shah 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, 2011 to 31<sup>st</sup> March, 2014.

**ITEM NO. 6:**

The members of the Annual General Meeting held on 24<sup>th</sup> September, 2008 including Govt. of India, Ministry of Company Affairs, New Delhi (Central Govt) vide letter dt. 18.09.2009 **had approved the Appointment of Mr. Vinod K.Shah, as Executive Director w.e.f. 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2011.** The Board of Directors / Remuneration Committee of the Company at its' meeting held on 30<sup>th</sup> July, 2010 reappointed Mr. Vinod K.Shah as Executive Director for a further period of 3 years w.e.f. 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2014 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 the Executive Director 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, 2011 to 31<sup>st</sup> March, 2014.**
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 expenses, 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 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 Director shall not be entitled to any compensation in cases mentioned in Section 318(3) of the Companies Act,1956.

Except 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, 2011.

## ITEM NO. 7:

The members of the Annual General Meeting held on 24<sup>th</sup> September, 2008 including Govt. of India, Ministry of Company Affairs, New Delhi (Central Govt) vide letter dt. 18.09.2009 **had approved the Appointment of Mr. Mukesh Motasha, as Executive Director w.e.f. 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2011.** The Board of Directors / Remuneration Committee of the Company at its' meeting held on 30<sup>th</sup> July, 2010 reappointed Mr. Mukesh A.Motasha as Executive Director for a further period of 3 years w.e.f. 1<sup>st</sup> April, 2010 to 31<sup>st</sup> March, 2014 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 the Executive Director 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, 2011 to 31<sup>st</sup> March, 2014.**
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 expenses, 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. 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) and Mr. Jayesh 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, 2011.

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

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

Mumbai, 30<sup>th</sup> July, 2010  
Registered Office  
Shlok, 60 CD, Govt. Industrial Estate,  
Charkop, Kandivli (West), Mumbai 400 067

**ANNEXURE, FORMING PART OF THE EXPLANATORY STATEMENT:**

**I. 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 March 31, 2010.

Particulars	(Rupees in lacs)
Turnover and other income	4257
Loss after tax	(1999)
Loss Brought forward from previous year	(41230)
Net worth	(33949)

(4) Export performance - Nil

**II. INFORMATION ABOUT THE APPOINTEE:**

**MR. MAHESH K. SHAH – MANAGING DIRECTOR**

(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 Plastics Association of India and Ex- Chairman of PLEXCONCIL (Plastics Export Promotion Council).

(2) Past remuneration

During the financial year 2009-10 Mr. Mahesh K. Shah was paid a remuneration of Rs. 5.78 lacs (inclusive of perquisites) per annum. He is entitled to get remuneration of Rs.15.00 lacs per annum. As the Company is passing through Liquidity Crunch including paucity & shortage of working capital facilities & therefore he has drawn only minimum salary of Rs.5.78 lacs & balance amount he has forfeited.

(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 : Salary, perquisites and allowances as mentioned above of profits during any financial year

(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 on him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages 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.

**MR. VINOD K. SHAH (EXECUTIVE DIRECTOR)**

(1) Background details

Mr. Vinod K. Shah is a technocrat (B.E. Electrical) having more than 30 years of industrial experience. Mr. Vinod K. Shah is looking after the Operations & Production of the Company.

(2) Past remuneration

During the financial year 2009-10 Mr. Vinod K. Shah's remuneration was Rs. 6.87 lacs per annum (inclusive of perquisites). He is entitled to get remuneration of Rs.9.00 lacs per annum. As the Company is passing through Liquidity Crunch including paucity & shortage of working capital facilities & therefore he has drawn only minimum salary of Rs.6.87 lacs & balance amount he has forfeited.

- (3) Job profile and his suitability  
Mr. Vinod K. Shah responsible for operations and 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 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 : Salary, perquisites and allowances as mentioned above. of profits during any financial year
- (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 on him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages 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 the other Directors shall be deemed to be concerned or interested in the resolution.

## **MR. MUKESH A. 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 Market.
- (2) Past remuneration  
During the financial year 2009-10 Mr. Mukesh A. Motasha was paid a remuneration of Rs. 7.10 lacs (inclusive of perquisites per annum). He is entitled to get remuneration of Rs.9.00 lacs per annum. As the Company is passing through Liquidity Crunch including paucity & shortage of working capital facilities & therefore he has drawn only minimum salary of Rs.7.10 lacs & balance amount he has forfeited.
- (3) Job profile and his suitability  
Mr. Mukesh A. Motasha is associated with the Company right from inception & is subject to the supervision and control of the Board of Directors. He is 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 : Salary, perquisites and allowances as mentioned above. of profits during any financial year
- (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 on him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level appointees in other companies.
- (6) Pecuniary relationship  
Mr. Mukesh A. Motasha is concerned & interested in the Resolution No. 7. Mr. Deepak A. Motasha (Director), Mr. Jayesh A. Motasha (Director) and Mr. Arvind 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 appointment/re-appointment at the ensuing Annual General Meeting

Name	Mr. Mahesh K. Shah	Mr. Vinod K. Shah	Mr. Mukesh A. Motasha
Age	60 years	57 years	55 years
Nature of expertise	Financial & Administration	Technical	Marketing
Name of the Public companies in which he holds Directorship	Nil	Nil	Nil
Name of the companies in which he holds membership/chairmanship other than Royal Cushion Vinyl Products Ltd.	Nil	Nil	Nil



# **Royal Cushion Vinyl Products Limited**

**26th**  
**ANNUAL REPORT**  
**2009-2010**



## 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

### BANKERS

Oriental Bank of Commerce

Standard Chartered Bank

The Saraswat Co-op.Bank Ltd

Axis Bank Ltd.

### REGISTERED OFFICE

60 CD, Shlok, Govt.Ind. Estate,

Charkop, Kandivli (West),

Mumbai 400067

### REGISTRAR & TRANSFER AGENTS

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

### WORKS

Plot No.55, Village. GARADHIA

Taluka.Savli, Dist.Vadodara

Gujarat 391520

Tel: (02667) 251674-73

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## DIRECTORS' REPORT

To  
The Members of  
Royal Cushion Vinyl Products Limited,

Your Directors have pleasure in presenting the 26<sup>th</sup> Annual Report together with Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2010.

### 1) FINANCIAL RESULTS:

(Rs.in Lacs)

Particulars	Current year ended 31.03.2010	Previous year ended 31.03.2009
Sales and operating income (includes changes in stocks)	4224	5111
Other Income	33	118
TOTAL INCOME	4257	5229
Total Expenditure	4327	5260
Profit/(loss) before interest and depreciation	(70)	(31)
Add: Finance & Bank Charges	1106	1787
Depreciation	807	808
Profit/(loss) before tax	(1983)	(2626)
Provision for fringe benefit tax	—	6
Profit/(Loss) after taxation	(1983)	(2632)
Prior year's expenses	15	(9)
Bal. Brought forward from previous year	(41230)	(38607)
Balance carried forward to balance Sheet	(43228)	(41230)

### 2) PERFORMANCE:

The Company has achieved turnover of Rs. 4224 lacs as against Rs. 5111 lacs in the previous year. The reduction in turnover is mainly due to overall slowdown in export, recession including to tough competition from local, international market.

### 3) DIVIDEND:

In view of losses, the Board of Directors is unable to declare any dividend for the year 2009-2010.

### 4) STATUS WITH BIFR:

As reported in the earlier Annual Reports, the Company has been registered with BIFR since September, 2002. The IDBI, BOI, OBC & EXIM Bank have transferred their debts to ARCIL. 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 recommended for approval to the Hon'ble BIFR.

The matter is pending at AAIFR & next hearing is scheduled on 13.09.2010. The Company is in active discussion with lenders for one time settlement.

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

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

### 9) DIRECTORS:

Shri. Deepak A Motasha and Shri Jayesh 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 24<sup>th</sup> A.G.M held on 27<sup>th</sup> September, 2008 duly approved the re-appointment of Mr. Mahesh K.Shah ( Managing Director), Mr. Vinod K.Shah (Executive Director) & Mr. Mukesh A. Motasha (Executive Director) & Govt. of India vide their letter dt. 27.01.2009, 22.06.2009 & 18.09.2009 respectively duly approved. The Board of Directors / Remuneration Committee of the Company at its' meeting held on 30<sup>th</sup> July, 2010 reappointed Mr. Mahesh K.Shah as Managing Director, Mr. Vinod K. Shah as Executive Director & Mr. Mukesh A. Motasha as Executive Director, for a further period of 3 years w.e.f. 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2014 subject to approval of shareholders and Central Govt. under Section 198, 269, 309, 310 & 311 & schedule XIII of the Co's Act, 1956.

### 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:

- (i) That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2010 the applicable accounting standards/practices had been followed along with proper explanation relating to material departures;
- (ii) 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 the year under review;

- (iii) 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;
- (iv) That the Directors had prepared the accounts for the financial year ended 31<sup>st</sup> March, 2010 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 & Sevantalil & J.K.Shah & Co., Chartered Accountants, Baroda 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 : 30th July, 2010

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

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

**INDUSTRY STRUCTURE AND DEVELOPMENT:**

The Company is primarily engaged in manufacturing of PVC Vinyl floorings, which are used in homes, offices, shops, health clubs, hotels, schools. The Company has developed various high value added and Technical products for the transport and other application.

**OPPORTUNITIES AND THREATS:**

The Company is a leader in PVC vinyl flooring segment, particularly high technical products for transport.

**SEGMENT WISE OR PRODUCT WISE PERFORMANCE:**

The Company's prime business is manufacture of PVC Vinyl Floorings 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 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 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.