



# **Royal Cushion Vinyl Products Limited**

**28th Annual Report 2011-2012**



## 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

## CONTENTS

Notice .....	1
Directors' Report .....	2 & 3
Management Discussion & Analysis Report .....	3
Corporate Governance Report .....	4 to 7
Annexure 'B' to the Director's Report .....	8
Auditor Certificate .....	8
Auditors' Report .....	9 to 11
Balance Sheet .....	12
Profit & Loss Account .....	13
Cash Flow Statement .....	27
Schedules to Balance Sheet .....	14 to 17
Schedules to P & L A/c .....	18 to 18
Notes to Accounts .....	20 to 26
Abstract of Balance Sheet .....	30
Green Initiative - Services of documents .....	31 & 32

## NOTICE

NOTICE is hereby given that the **28<sup>TH</sup> ANNUAL GENERAL MEETING** of the Members of **ROYAL CUSHION VINYL PRODUCTS LIMITED** will be held on **Thursday, the 27<sup>th</sup> September, 2012 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:

- To receive, consider and adopt the Audited Profit & Loss Account for the Financial Year ended 31<sup>st</sup> March, 2012, the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
- To appoint a Director in place of Mr. Deepak A Motasha who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr. Jayesh A. Motasha who retires by rotation and being eligible, offers himself for re- appointment.
- 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, 31<sup>st</sup> July, 2012  
Registered Office  
Shlok, 60 CD, Govt. Industrial Estate,  
Charkop, Kandivli (West), Mumbai 400 067

### Notes:

- 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.
- The Register of Members and Share Transfer books of the Company will remain closed from **Tuesday, 18<sup>th</sup> September, 2012 to Thursday, 20<sup>th</sup> September, 2012** (both days inclusive) for the purpose of Annual Book Closure.
- 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 400 093. Tel No. 022 28257641, 022 28207203**
- 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.**
- 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.
- 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, 31<sup>st</sup> July, 2012  
Registered Office  
Shlok, 60 CD, Govt. Industrial Estate,  
Charkop, Kandivli (West), Mumbai 400 067

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

Name of Director	Mr. Deepak A Motasha	Mr. Jayesh A Motasha
Age	59 years	55 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 28<sup>th</sup> Annual Report together with Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2012.

### 1) FINANCIAL RESULTS:

(` in Lacs)

Particulars	Current year ended 31.03.2012	Previous year ended 31.03.2011
Revenue from operations (Net)	4655.96	4154.68
Other Income	29.63	6.29
Total Income	4685.59	4160.97
Total Expenditure	5163.21	4536.32
Profit/(loss) before interest and depreciation	(477.62)	(375.35)
Add: Finance & Bank Charges	1497.34	1133.10
Depreciation	802.33	791.23
Prior year's expenses/income	1.87	(3.74)
Loss before Exceptional item	2775.43	2303.42
Exceptional item	1278.18	Nil
Loss for the year	(1497.25)	(2303.42)

### 2) PERFORMANCE:

The Company has achieved turnover of Rs.4655.96 as against Rs.4154.68 Lakhs in the previous year. The increase in turnover is mainly due to inflation i.e. price of finished products has gone up.

### 3) DIVIDEND:

In view of losses, the Board of Directors is unable to declare any dividend for the year 2011-2012.

### 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 12.07.2012 informed to the creditors that Company has settled the dues of 82.5% of secured creditors namely Standard Chartered Bank and ARCIL. The Company has also submitted the proposal under one time settlement to the other secured creditors including Saraswat Bank and are under active discussion with the banks and the next date of hearing is fixed on 11.09.2012.

### 4a) FIXED DEPOSITS:

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

### 5) 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.

### 6) 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.

### 7) HUMAN RESOURCES / INDUSTRIAL RELATIONS:

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

### 8) DIRECTORS:

Mr. Deepak A. Motasha and Mr. Jayesh 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).

### 9) 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:

- that in the preparation of the Annual Accounts for the financial year ended 31st March, 2012 the applicable accounting standards/practices had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- that the Directors had prepared the accounts for the financial year ended 31st March, 2012 on a going concern basis.

### 10) CORPORATE GOVERNANCE:

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

**11) PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE:**

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

**12) 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

**13) ACKNOWLEDGEMENT:**

within the limits specified under Section 224(1B) of the Companies Act, 1956.

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.**

**Vinod K. Shah**  
*Executive Director*

**Mukesh A. Motasha**  
*Director*

Place : Mumbai  
Date : 31st July, 2012

**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 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. 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 and will be providing adequate information to the shareholders, effective control and management of Organization with commitment for its growth.

#### 2. Board of Directors

As on 01<sup>st</sup> April, 2012 the Board comprises **two Executive Directors** and **four Non Executive Directors**. During the year 2011-2012 the Board met 6 times on the following dates, namely 20 June 2011, 28 July 2011, 04 August 2011, 31 October 2011, 30 January 2012 and 30 March 2012.

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 Directorship	Sitting Fees	Committee Membership	Committee Chairmanship
1.	Mr. Mahesh K. Shah	Executive Promoter	5	Yes	1	-	Nil	Nil
2.	Mr. Vinod K. Shah	Executive, Promoter	6	Yes	3	-	Nil	Nil
3.	Mr. Arvind V. Motasha	Non-Executive, Promoter	4	Yes	1	-	3	1
4.	Mr. Deepak A. Motasha	Non-Executive, Promoter	6	Yes	2	-	3	1
5.	Mr. Mukesh A. Motasha	Non-Executive, Promoter	6	Yes	-	-	Nil	Nil
6.	Mr. Jayesh A. Motasha	Non-executive, Promoter	6	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 2011-2012, the Audit Committee held 3 meetings 04 August 2011, 31 October 2011 and 30 January 2012. 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. Deepak A. Motasha – Chairman	3
2.	Mr. Arvind V. Motasha – Member	3
3.	Mr. Jayesh A. Motasha – Member	3

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

#### 4. Shareholders'/ Investors' Grievance Committee

**a) Composition:** The Committee comprises 3 Non-Executive Directors with Company Secretary of the Company to act as the compliance officer. During the year it held 3 meetings 04 August 2011, 31 October 2011 and 30 January 2012.

**b) Investors' Complaints:** The Company has not received any complaints from investors. There were no major share transfers pending for registration for more than 30 days as on 31.03.2012.

## 5. Remuneration Committee

The Remuneration Committee consist of 3 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.

Details of Remuneration paid for the year 2011-2012 are as under:

(` in Lacs)

Sr. No.	Name	Salary	Perquisites
1.	Mr. Mahesh K. Shah	5.95	1.45
2.	Mr. Vinod K. Shah	5.58	1.14

The above Directors are entitled to get the remuneration of Rs. 15.00 Lakhs p.a. (Mr. Mahesh Shah) and Rs. 9.00 Lakhs p.a. (Mr. Vinod Shah) 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 Rs. 7.40 Lakhs p.a. and Rs. 6.72 Lakhs p.a respectively and Balance Salary and perquisites have been 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 (Sick).**

## 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	2008-09	2009-10	2010-11
Date	29.09.2009	29.09.2010	30.09.2011
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 : Nil

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

Number of pending Complaint as on 31.03.2012 : Nil

Number of Share Transfer pending for approval as at 31.03.2012 : 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 27<sup>th</sup> September, 2012 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 1<sup>st</sup> Quarter ending 30<sup>th</sup> June, 2012 April to March  
Financial Reporting for 2<sup>nd</sup> Quarter ending 30<sup>th</sup> Sept, 2012 On or before the end of October, 2012  
Financial Reporting for 3<sup>rd</sup> Quarter ending 31<sup>st</sup> Dec, 2012 On or before the end of January, 2013  
Audited Results for the year ending March, 2013 On or before the 2nd Week of May, 2013
- C. **Date of Book closure** Beginning Tuesday, the 18<sup>th</sup> September, 2012 to Thursday, the 20<sup>th</sup> September, 2012 (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' 2011	6.25	4.85	26,654
May' 2011	6.30	5.10	41,703
June' 2011	9.01	4.59	70,541
July' 2011	10.65	8.53	1,19,382
August' 2011	8.36	6.32	6,390
September' 2011	7.28	5.60	11,487
October' 2011	6.60	5.60	5,320
November' 2011	6.61	5.40	6,415
December' 2011	5.95	5.08	4,250
January' 2012	5.39	4.38	32,379
February' 2012	5.39	4.10	7,744
March' 2012	5.76	4.42	35,974

- 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 31<sup>st</sup> March, 2012

Range No. of equity shares	No. of Shareholders	%	No. of Shares	%
Upto 500	2,838	83.37	5,27,984	4.38
501 – 1000	255	7.49	2,02,200	1.68
1001 – 2000	122	3.58	1,86,704	1.55
2001 – 3000	46	1.35	1,14,721	0.95
3001 – 4000	22	0.65	77,783	0.64
4001 – 5000	26	0.77	1,22,508	1.01
5001 – 10000	33	0.97	2,28,804	1.89
10001 and above	62	1.82	1,06,06,508	87.90
<b>TOTAL</b>	<b>3,404</b>	<b>100.00</b>	<b>1,20,67,212</b>	<b>100.00</b>

K. Shareholding pattern as on 31.03.2012

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.	12,72,719	10.55
Private Corporate Bodies	6,60,828	5.48
NRIs	48,760	0.40
Indian Public	28,09,377	23.28
<b>Grand Total</b>	<b>1,20,67,212</b>	<b>100.00</b>

L. Dematerialisation of shares and liquidity

79,06,564 (65.52%) of Equity Shares of Rs. 10/- each have been dematerialised as on 31<sup>st</sup> March, 2012.

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 31<sup>st</sup> March, 2012.

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.**

**Vinod K. Shah**      **Mukesh A. Motasha**  
Executive Director      Director

Place : Mumbai  
Date : 31st July, 2012

## 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 :

- Maximum demand reduction from 2500 KVA to 1800 KVA, saving ` 2,50,000/ per month (Process with MGVCCL).
- A.C Variable for Boiler ID/F.D. Fan 11 KW/5.5 KW saving approximately Rs.1500 per day.
- A.C Variable Motors on Auma Machine being installed energy saving expected to be ` 5000 per day.
- Installed Individual capacitor bank (25KVAR x 2) to all three banbury for maintaining P.F tp 0.99 (Lags). Saving ` 10000/ per month..

## 2. TECHNOLOGY ABSORPTION

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

- New **Colour** developed in ecoplus (v) & ecoride for TMML.
- New **heat management products** brand name "**Black Beauty**" developed & introduced. Special affect of the products is maintaining the temperature difference 10-15 C against normal vinyl product.

- New product "**Lumilux & Chatai**" developed & Introduced.
- In **Jewel range** – Deccora, lotus, Chandani, designs were developed & introduced.
- In **G.L range** – Vegas designs developed & introduced.
- Vinyl Film **pack plast** developed & introduced to market.

## B) Future Plans

- To develop more products for local market as well as industry & Armstrong.

## 3. FOREIGN EXCHANGE EARNING AND OUTGO

Sr. No.	Particular	Current Year ended on 31-3-12	(` In Lacs)
			Previous Year ended 31-3-11
1.	Fob value of Export	Nil	Nil
2.	Foreign exchange outgo	805.41	615.96
	Import of Raw material Stores & Spares	22.35	2.27
3.	Foreign Travels	2.16	0.36

## AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
ROYAL CUSHION VINYL PRODUCTS LIMITED  
MUMBAI

We have examined the compliance of conditions of Corporate Governance by **ROYAL CUSHION VINYL PRODUCTS LIMITED** ("the Company") for the year ended 31<sup>st</sup> March, 2012, 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 31<sup>st</sup> March, 2012 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

Firm Registration No. 101676W

(H.B. Shah)

Partner

Membership No. 16642

Place : Vadodara

Date : 31st July, 2012