

29th ANNUAL REPORT 2012-2013



Royal Cushion Vinyl Products Limited



ROYAL CUSHION VINYL PRODUCTS LIMITED

BOARD OF DIRECTORS

Shri Mahesh. K. Shah - Chairman & Managing Director

Shri Vinod K. Shah - Executive Director

Shri Arvind V. Motasha

Shri Deepak A. Motasha

Shri Mukesh A. Motasha

Shri Jayesh A. Motasha

COMPANY SECRETARY

Shri H. K. Bijlani

AUDITORS

**M/s. CHANDRAKANT & SEVANTILAL
& J. K. SHAH & CO**

Chartered Accountants

301, Lalita Tower, Near Hotel Rajpath

Station Akota Road,

Vadodara 390 007

FINANCIAL INSTITUTION / BANKS

Axis Bank Ltd.

SICOM Ltd.

REGISTERED OFFICE

60 CD, Shlok, Govt.Ind. Estate,

Charkop, Kandivali (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 12
Balance Sheet	13
Profit & Loss Account	14
Cash Flow Statement	15
Schedules to Balance Sheet	16 to 22
Schedules to P & L A/c	23 to 24
Notes to Accounts	25 to 30
Abstract of Balance Sheet	31
Green Initiative - Services of documents	32 & 33

NOTICE

NOTICE is hereby given that the **29TH ANNUAL GENERAL MEETING** of the Members of **ROYAL CUSHION VINYL PRODUCTS LIMITED** will be held on **Monday, the 30th September, 2013 at 3.30 p.m.** at the Conference Room of 60 CD "SHLOK" Govt. Industrial Estate, Charkop, Kandivali (West), Mumbai 400 067, for the purpose of transacting the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the Financial Year ended 31st March, 2013, the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Arvind V. Motasha who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Mukesh A. Motasha who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next ANNUAL GENERAL MEETING & to fix their remuneration, **M/s. Chandrakant Sevantilal & J. K. Shah & Co, Chartered Accountants, Vadodara** retiring Auditors are eligible for re-appointment.

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

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

Mumbai, 30th May, 2013
Registered Office
Shlok, 60 CD, Govt. Industrial Estate,
Charkop, Kandivali (West), Mumbai 400 067

Notes:

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND & VOTE ON A POLL INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b. The Register of Members and Share Transfer books of the Company will remain closed from **Tuesday, 20th August, 2013 to Thursday, 22nd August, 2013** (both days inclusive) for the purpose of Annual Book Closure.
- c. Members are requested to notify any change in their address to the Company's registrar and share transfer agents at **M/s. Universal Capital Securities Private Limited** (formerly known as Mondkar Computers Private Limited), **21, Shakhil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 101. Tel No. 022 28257641, 022 28207203.**
- d. Members desiring any information on the Accounts are requested to **write to the Company at least one week before the Meeting so as to enable the management to keep the information ready at the Meeting.**
- e. Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
- f. As per the provisions of the companies Act, 1956 facility for making nominations is available for Members in respect of the Shares, held by them. The members may take advantage of this amendment.

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

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

Mumbai, 30th May, 2013
Registered Office
Shlok, 60 CD, Govt. Industrial Estate,
Charkop, Kandivali (West), Mumbai 400 067

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

Name of Director	Mr. Arvind V. Motasha	Mr. Mukesh A. Motasha
Age	72 years	58 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 29th Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2013.

1) FINANCIAL RESULTS:

(₹ in Lacs)

Particulars	Current year ended 31.03.2013	Previous year ended 31.03.2012
Revenue from operations (Net)	4952.39	4655.96
Other Income	13.33	29.63
Total Income	4965.72	4685.59
Total Expenditure	5990.72	5163.21
Profit/(loss) before interest and depreciation	(1025.01)	(477.62)
Add: Finance & Bank Charges	1464.32	1497.34
Depreciation	790.94	802.33
Prior year's expenses/income	(15.44)	1.87
Loss before Exceptional item	(3295.71)	(2775.43)
Exceptional item	Nil	1278.18
Loss for the year	(3295.71)	(1497.25)

2) PERFORMANCE:

The Company has achieved turnover of Rs.4952.39 as against Rs. 4655.96 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 2012-2013.

4) STATUS WITH BIFR

"As reported in the earlier Annual Reports, the Company has been registered with BIFR since September, 2002. Since the date of last Directors' Report, the Hon'ble BIFR hearing was held on March 14, 2013 and July 11, 2013, the Hon'ble BIFR issued directions to the Operating Agency ("OA") i.e. IDBI Bank Limited ("IDBI") to formulate the fully tied-up Draft Rehabilitation Scheme ("DRS") and submit to the BIFR. Accordingly the Company had submitted the revised DRS containing proposals for revival of the Company with the Hon'ble BIFR and IDBI whereby it is proposed to demerge two of its undertaking viz. Unit I & II of the Company and merging them with Vijayjyot Seats Private Limited (one of the Promoter Group Companies) with effect from the Appointed Date being January 1, 2013 subject to approval from Hon'ble BIFR and other concerned parties. Subsequently the IDBI cleared the revised DRS of the Company and submitted the fully tied up DRS to the Hon'ble BIFR in the hearing held on July 11, 2013. The revised fully tied up DRS is now under review and clearance of Hon'ble BIFR subsequently the same will be circulated to the concerned parties for their approval.

The demerger proposal contained in the revised DRS will be effective after the receipt of the required approvals. Accordingly the financial statements contained this annual report are without giving the effect of proposed demerger of Unit I & II of the Company."

5) FIXED DEPOSITS

The Company has not received any deposit from Public during the year. The Auditor has given the Qualification and adverse remarks (Para No.6 of Annexure to the Auditor's Report) in respect of Section 58A of the Companies Act, 1956, however the Board is of the view that the amount received by the Company from its promoters/relatives are for the purpose of business and for performance of certain sales orders. Neither any application form has been filed up for these receipts nor the receipts are issued by the Company, hence these are not falling as deposits under section 58A of the Companies Act, 1956.

6) PARTICULARS OF EMPLOYEES

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

7) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

8) HUMAN RESOURCES / INDUSTRIAL RELATIONS

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

9) DIRECTORS

Mr. Arvind V. Motasha and Mr. Mukesh A. Motasha, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend their reappointment. (Details are furnished under Notice).

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:

- that in the preparation of the Annual Accounts for the financial year ended 31st March, 2013 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;

- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Directors had prepared the accounts for the financial year ended 31st March, 2013 on a going concern basis.

11) 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. Further the Auditor has given the Qualification and adverse remarks (Para No.6 of Annexure to the Auditor's Report) in respect of Section 58A of the Companies Act, 1956, however the Board is of the view that the amount received by the Company from its promoters/ relatives are for the purpose of business and for

performance of certain sales orders. Neither any application form has been filed up for these receipts nor the receipts are issued by the Company, hence these are not falling as deposits under section 58A of the Companies Act, 1956.

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

You are requested to appoint Auditors.

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

13) 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.**

Sd/-
Maresh K. Shah
Chairman & Managing Director

Sd/-
Jayesh A. Motasha
Director

Place : Mumbai

Date : 12th August, 2013

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 01st April, 2013 the Board comprises **two Executive Directors** and **four Non Executive Directors**. During the year 2012-2013 the Board met 6 times on the following dates, namely 29 June 2012, 31 July 2012, 06 August 2012, 31 October 2012, 30 January 2013 and 25 March 2013.

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	6	Yes	1	-	Nil	Nil
2.	Mr. Vinod K. Shah	Executive Promoter	6	Yes	3	-	Nil	Nil
3.	Mr. Arvind V. Motasha	Non-Executive, Promoter	5	Yes	1	-	3	1
4.	Mr. Deepak A. Motasha	Non-Executive, Promoter	4	Yes	2	-	3	1
5.	Mr. Mukesh A. Motasha	Non-Executive, Promoter	6	Yes	1	-	Nil	Nil
6.	Mr. Jayesh A. Motasha	Non-executive, Promoter	5	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 2012-2013, the Audit Committee held 4 meetings 31 July 2012, 06 August 2012, 31 October 2012 and 30 January 2013. 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

- 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 29 June 2012, 06 August 2012 and 31 October 2012.
- 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 31.03.2013.

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 2012-2013 are as under:

(₹ in Lacs)

Sr. No.	Name	Salary	Perquisites
1.	Mr. Mahesh K. Shah	4.50	1.55
2.	Mr. Vinod K. Shah	4.44	1.37

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. 6.05 Lakhs p.a. and Rs. 5.81 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	2009-2010	2010-2011	2011-2012
Date	29.09.2010	30.09.2010	28.09.2012
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, Kandivali (West), Mumbai 400067	Company's Registered Office at 60 CD, Shlok, Govt. Ind. Estate, Charkop, Kandivali (West), Mumbai 400067	Company's Registered Office at 60 CD, Shlok, Govt. Ind. Estate, Charkop, Kandivali (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 31.03.2013 : Nil

Number of Share Transfer pending for approval as at 31.03.2013 : Nil

8. Disclosures

a) The Company has not entered into any material significant transactions with its promoters, Directors or the management or relatives etc. that may have potential conflict with the interest of the Company at large during the year.

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

9. Means of Communication

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

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

10. General Shareholder information

- A. Annual General Meeting
Date and Time 30th September, 2013 at 3.30 p.m.
Venue At Conference Room of 60 CD "SHLOK"
Govt. Ind. Estate, Charkop, Kandivali (West),
Mumbai 400 067
- B. Financial Calendar
Financial Reporting for 1st Quarter ending 30th June, 2013 April to March
Financial Reporting for 2nd Quarter ending 30th Sept, 2013 On 12th August, 2013
Financial Reporting for 3rd Quarter ending 31st Dec, 2013 On or before the end of October, 2013
Audited Results for the year ending March, 2014 On or before the end of January, 2014
On or before the 4th Week of May, 2014
- C. **Date of Book closure** Beginning Tuesday, the 20th August, 2013 to
Thursday, the 22nd August, 2013 (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		Total No. of shares Traded
	High (₹)	Low (₹)	
April' 2012	6.61	5.16	10,805
May' 2012	6.40	6.00	12,270
June' 2012	6.90	5.71	944
July' 2012	6.42	5.24	1,835
August' 2012	5.48	5.00	2,201
September' 2012	4.98	3.90	15,826
October' 2012	3.71	3.30	1,836
November' 2012	6.93	3.50	19,673
December' 2012	7.27	6.56	12,655
January' 2013	7.55	6.30	1,720
February' 2013	6.82	5.71	3,007
March' 2013	7.51	6.67	137

- 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, Kandivali (West), Mumbai 400 067
Tel No. 022-32655828 / 28603516, Fax No. 022-28603565
Email: hkbijlani@samsons.com

I. Share Transfer System

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

Demat requests are processed and completed within an average period of 15 days from the date of receipt provided they are in order.

J. Distribution of shareholding as on 31st March, 2013

Range No. of equity shares	No. of Shareholders	%	No. of Shares	%
Upto 500	2,828	83.32	5,24,786	4.35
501 – 1000	2,515	7.40	1,99,803	1.65
1001 – 2000	123	3.62	1,88,998	1.57
2001 – 3000	43	1.27	1,06,769	0.88
3001 – 4000	23	0.68	81,845	0.68
4001 – 5000	31	0.91	1,45,201	1.20
5001 – 10000	35	1.03	2,45,142	2.03
10001 and above	60	1.77	1,05,75,388	87.64
TOTAL	3,394	100.00	1,20,67,212	100.00

K. Shareholding pattern as on 31st March, 2013

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	6,70,245	5.55
NRI's	48,710	0.40
Indian Public	28,00,010	23.21
Grand Total	1,20,67,212	100.00

L. Dematerialisation of shares and liquidity

79,12,814 (65.57%) of Equity Shares of Rs. 10/- each have been dematerialised as on 31st March, 2013.

11. CFO CERTIFICATION:

As required under Clause 49 V of the Listing Agreement with the Stock Exchanges, Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended 31st March, 2013.

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.**

Sd/-
Mahesh K. Shah
Chairman & Managing Director

Sd/-
Jayesh A. Motasha
Director

Place : Mumbai
Date : 12th August, 2013

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:

- Convert hardware base 400hp motor to ruttonsha make soft starter.
- Additional capacitor added with increasing load to maintaining constant 0.99lag power factor.
- Air compressor old motor in loading/unloading was drawing more current so replaced by 75kw new siemens motor.

2. TECHNOLOGY ABSORPTION

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

- New Products Developed and Launched.
 - i. "Royal Opera" 1 MM in different wood pattern designs
 - ii. "Royal Majesty" 1.6 MM in different wood pattern designs
 - iii. "Tuff Ultra" for heavy duty vinyl flooring developed & introduced.
- New colours developed in Royal Star for local market.

- In Jewel range – Lilac, Florida, Sunflower, Kashmir, designs were developed & introduced.
- In G.L range – Ginger oak, Milano, Startrack designs developed & introduced.
- New embossing developed for Lumilux called "Football."
- New embossing developed for Royal Majestic called "Wooden range."

B) Future Plans

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

3. FOREIGN EXCHANGE EARNING AND OUTGO

(₹ In Lacs)

Sr. No.	Particular	Current Year ended on 31-3-13	Previous Year ended 31-3-12
1.	Fob value of Export	Nil	Nil
2.	Foreign exchange outgo Import of Raw material Stores & Spares	910.58	805.41
3.	Foreign Travels	39.74 0.88	22.35 2.16

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
ROYAL CUSHION VINYL PRODUCTS LIMITED
MUMBAI

We have examined the compliance of conditions of Corporate Governance by **ROYAL CUSHION VINYL PRODUCTS LIMITED** ("the Company") for the year ended 31st March, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges of India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement, except that the number of independent directors in the Board of Directors was lower than 50 percent of the total

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

We state that no investor grievance(s) is pending for a period exceeding one month as on 31st March, 2013 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 : 12th August, 2013