



RUSHIL DECOR LIMITED

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18th
ANNUAL REPORT
2011-12



Chikmagalur Factory



Chikmagalur MDF Plant



CORPORATE INFORMATION

■ BOARD OF DIRECTORS ■

Mr. Ghanshyambhai A. Thakkar	Chairman & Whole time Director
Mr. Krupesh G. Thakkar	Managing Director
Mr. Kabdi Narendra Kumar Jain	Independent Director
Mr. Shankar Prasad Bhagat	Independent Director
Mr. Harshadbhai N. Doshi	Independent Director

■ COMPANY SECRETARY & COMPLIANCE OFFICER ■

Mr. Hasmukh K. Modi

■ STATUTORY AUDITORS ■

M/s. Parikh & Majmudar
Chartered Accountants
204/5/6, Harsh Avenue,
Navjeevan Road, Opp. Old High Court,
Navrangpura, Ahmedabad -380 014.

■ PRINCIPAL BANKERS ■

BANK OF BARODA

Kalol Branch
N. G. Road, Kalol.

ALLAHABAD BANK

S. P. Nagar Branch,
Opp. S. P. Samaj Seva Hall,
Navrangpura, Ahmedabad.

REGISTERED OFFICE

S. No. 125, Nr. Kalyanpura Patia,
Gandhinagar Mansa Road,
Village Itla, Tal. Kalol,
Dist. Gandhinagar
PIN - 382 845.

CORPORATE OFFICE

1, Krinkal Apartment,
Opp. Mahalaxmi Temple,
Mahalaxmi Society,
Paldi, Ahmedabad.
PIN - 380 007.

REGISTRAR & SHARE TRANSFER AGENT

BIGSHARE SERVICES PRIVATE LIMITED
E/2, Ansa Industrial Estate, Saki vihar Road,
Saki naka, Andheri(E), Mumbai - 400 072.

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NOTICE

NOTICE is hereby given that the **Eighteenth Annual General Meeting** of the Members of **Rushil Decor Limited** will be held on Monday, August 20, 2012 at 9.00 a.m. at the Registered Office of the Company at S. No. 125, Nr. Kalyanpura Patia, Village Itra, Gandhinagar Mansa Road, Tal. Kalol, Dist. Gandhinagar – 382845, Gujarat, India to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2012, the Statement of Profit and Loss of the Company for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri Kabdi Narendrakumar Jain, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Shankar Prasad Bhagat, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311 and 317 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof and subject to the approval of the Central Government, if required, and also subject to such other approvals as may be necessary, approval of the members be and is hereby accorded to the re-appointment of Shri Krupeshbhai G. Thakkar, as a Managing Director of the Company, for a period of 5 (five) years with effect from September 01, 2012, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with authority to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to alter, vary and modify the said terms including salary, allowances and perquisites in such manner as may be agreed to between the Board and Shri Krupeshbhai G. Thakkar within and in accordance with and subject to the limits prescribed in Schedule XIII to the said Act, and if necessary as may be stipulated by the Central Government and as may be agreed to accordingly between the Board and Shri Krupeshbhai G. Thakkar.

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of the term of Shri Krupeshbhai G. Thakkar as Managing Director,

the company has no profits or its profits are inadequate, the company shall pay remuneration by way of salary and perquisites as specified in Section II of Part II of Schedule XIII to the said Act or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311 and 317 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof and subject to the approval of the Central Government, if required, and also subject to such other approvals as may be necessary, approval of the members be and is hereby accorded to the re-appointment of Shri Ghanshyambhai A. Thakkar, as a Wholtime Director of the Company, for a period of 5 (five) years with effect from September 01, 2012, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with authority to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to alter, vary and modify the said terms including salary, allowances and perquisites in such manner as may be agreed to between the Board and Shri Ghanshyambhai A. Thakkar within and in accordance with and subject to the limits prescribed in Schedule XIII to the said Act, and if necessary as may be stipulated by the Central Government and as may be agreed to accordingly between the Board and Shri Ghanshyambhai A. Thakkar.

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of the term of Shri Ghanshyambhai A. Thakkar as Wholtime Director, the company has no profits or its profits are inadequate, the company shall pay remuneration by way of salary and perquisites as specified in Section II of Part II of Schedule XIII to the said Act or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provision of Section 61 and other applicable provisions, if any, of the Companies Act, 1956 and other applicable rules, regulation, guidelines and other statutory provision for the time being in force, approval of the members of the Company be and is hereby accorded and the Board of Directors (hereinafter called the 'Board' which term shall be deemed to include any committee authorized to exercise its powers including the powers conferred by this resolution), be and is hereby authorized to vary, alter, modify, revise or amend the terms referred to in



the prospectus dated June 28, 2011, filed by the Company with the Registrar of Companies, Ahmedabad, Gujarat (the 'Prospectus') including the terms with respect to provisions in respect of locked-in of entire Pre IPO Equity shares in excess of minimum promoters' contribution of 20%.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things, deal with such matters, take necessary steps in the matter as the Board may in its absolute discretion deem necessary, desirable or expedient and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to their end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the acts, deeds, matters and things already done by directors or other officer(s) of the Company in this connection are hereby ratified, confirmed and approved by the members of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any committee of directors or any other officer(s) / authorized representative(s) of the Company to give effect to the aforesaid resolution."

By Order of the Board of Directors,
For Rushil Décor Limited

Hasmukh K. Modi
Company Secretary

Registered Office :
S.No. 125, Nr. Kalyanpura Patia,
Vill. Itla, Gandhinagar Mansa Road,
Tal. Kalol, Dist. Gandhinagar.

Date: 26th May, 2012

Notes:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON POLL) INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORMS DULY COMPLETED, STAMPED AND SIGNED SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED.**
2. Corporate Members are requested to send to the company a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
3. The Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 in respect of Special Business mentioned in the above Notice is annexed hereto.
4. Members holding shares in physical form are requested to notify change in address, bank mandate and bank particulars for printing on the dividend warrants, if any, under their signatures to Bigshare Services Private Limited, E/2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka,

Andheri(E), Mumbai – 400 072, the Registrar and Share Transfer Agent, quoting Folio Nos. Members holding shares in electronic form may update such details with their respective Depository Participants.

5. The Register of Members and the Share Transfer Books of the Company will be closed from Wednesday, 15th August, 2012 to Monday, 20th August, 2012, (both days inclusive) for the purpose of determining the Members eligible for Dividend, if declared at the Meeting. The dividend, if declared will be payable to those shareholders of the company whose name appear as member on the end of the working hours on 14th August, 2012.
6. In respect of shares held in electronic form, dividend will be paid to the beneficial holders as per the beneficiary list to be provided by the National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
7. Members are requested to intimate to the Company, queries if any, regarding the accounts at least 2 working days before the Annual General Meeting to enable the Management to keep the information ready at the Meeting. The queries may be addressed to: Company Secretary, Rushil Décor Limited, 1, Krinkal Apartment, Opp. Mahalaxmi Temple, Mahalaxmi Society, Paldi, Ahmedabad - 380 007. (email: ipo@rushil.com). **Members are requested to bring their copies of Annual Reports to the Meeting. Members are also requested to bring the Admission Slip duly filled in and may hand over the same at the entrance to the Meeting Hall.**
8. Individual Shareholders can avail of the facility of nomination and may submit to the Company the prescribed Form 2B at the Share Department of the Company. It is advisable to avail of this facility especially by Shareholders who currently hold Shares in single name. In case of any assistance, please contact at the Share Department of the Company at 1, Krinkal Apartment, Opp. Mahalaxmi Temple, Mahalaxmi Society, Paldi, Ahmedabad - 380007.
9. Pursuant to Section 205A of the Companies Act, 1956, dividends, which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account are required to be transferred to the Investor Education and Protection Fund of the Central Government. Shareholders who have not encashed/received dividend warrants relating to financial year ended on 31st March, 2011 may approach the Company for payment thereof.
10. The copies of relevant documents can be inspected at the Registered office of the company on all working days from Monday to Friday Between 11:00 am to 5:00 pm up to the date of meeting.
11. At this Annual General Meeting, Shri Kabdi Narendrakumar Jain and Shri Shankar Prasad Bhagat, Directors of the Company, shall retire by rotation and being eligible, offer themselves for re-appointment.

As required under Clause 49 of Listing Agreement with the Stock Exchanges, given below are the details of the above Directors to be re-appointed as Directors of the Company :-

Shri Kabdi Narendrakumar Jain:

Shri Kabdi Narendrakumar Jain is a member on the Board of Directors of the Company w.e.f. March 6, 2009. He is in position of Non Executive - Independent Director. He has more than 25 years of experience in the field of Laminates and Plywood Industry. He is not holding directorship in any Company except Rushil Décor Limited. He is a member of Audit Committee and Remuneration Committee of the Company. He is not holding Chairmanship or membership in any Committee of other Company. Shri Kabdi Narendrakumar Jain holds 163974 Equity Shares of Rs. 10/- each in Rushil Décor Limited. He is not related to any Director of the Company.

Shri Shankar Prasad Bhagat

Shri Shankar Prasad Bhagat, an Independent Director, holds a Chartered Accountant Certificate

from the Institute of Chartered Accountants of India (ICAI) having more than 25 years of experience in the field of accounts and finance. He joined the Company on October 1, 2009. He is chairman of the Audit Committee of Company. He is also Chairman of the Remuneration Committee and Shareholders / Investor's Grievance Committee of the Company. He is Chairman in the Audit Committee of C. Mahendra Infojewels Limited. He is also member in the Investor Grievance Committee and Remuneration Committee of C. Mahendra Infojewels Limited. Shri Shankar Prasad Bhagat is not holding any shares of Rushil Décor Limited. He is not related to any Director of the Company. He is director in the (i) Amradeep Industries Limited, (ii) Turbotech Engineering Limited, (iii) Kappac Pharma Limited, (iv) Pressure Sensitive Systems (India) Limited, (v) Monotona Securities Limited, and (vi) C. Mahendra Infojewels Limited.

- 12. Important Communication to Members:** The Ministry of Corporate Affairs has, pursuant to its Green Initiative in the Corporate Governance, allowed paperless compliances by Companies. It has issued circulars allowing the companies to serve notice/documents including Annual Report by email to its members. Many of the shareholders have registered their emails pursuant to the said initiative. We thank those shareholders for the same. ***Those shareholders, who have not registered their email addresses so far, may, as a support to this initiative, register their email addresses, in respect of electronic holdings, with the Depository through their respective Depository Participant.*** Members who hold shares in physical mode are requested to register their email address with Bigshare Services Private Limited, the share transfer agent of the Company.

By Order of the Board of Directors,
For Rushil Décor Limited

Hasmukh K. Modi
Company Secretary

Registered Office :
S.No. 125, Nr. Kalyanpura Patia,
Vill. Itla, Gandhinagar Mansa Road,
Tal. Kalol, Dist. Gandhinagar.

Date: 26th May, 2012

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

ITEM NO. 6

Shri Krupeshbhai G. Thakkar was appointed as Managing Director of the Company for a period of five years from 1st September, 2007. As the tenure of his appointment will expire on 31st August, 2012, the Board of Directors, at its meeting held on 26th May, 2012 reappointed him as Managing Director of the Company, subject to the approval of members and others, for a further period of five years from the expiry of his present term.

It is proposed to seek Members' approval for the re-appointment of and remuneration payable to Shri Krupeshbhai G. Thakkar, as Managing Director, in terms of the applicable provisions of the Companies Act, 1956.

Broad particulars of the terms of re-appointment of and remuneration payable to Shri Krupeshbhai G. Thakkar are as follows:

A) SALARY :

Salary of ₹ 3,50,000/- per month subject to such periodical increments as may be decided by the Board of Directors on recommendation of the Remuneration Committee subject however that the aggregate remuneration on account of salary shall not exceed ₹ 7,00,000/- per month.

B) PERIOD:

5 years with effect from 1st September, 2012 to 31st August, 2017.

C) PERQUISITES (including allowances)

(i) Housing: Furnished/Unfurnished residential accommodation or house rent allowance in lieu thereof.

The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per the Income – Tax Rules, 1962.

(ii) Medical reimbursement: Expenses incurred for Shri Krupeshbhai G. Thakkar and his family as per company rules.

(iii) Leave Travel Concession: For Shri Krupeshbhai G. Thakkar and his family, incurred in accordance with the company rules.

(iv) Club Fees: Fees of clubs subject to a maximum of two clubs. This will not include admission and the life membership fees.

(v) Medi claim Policy: Payment of Premium as per company rules.

(vi) Personal Accident Insurance: Premium as per company rules.

(vii) Contribution to Provident Fund, Superannuation Fund, Annuity Fund/Contribution to Gratuity as per company rules.

(viii) Encashment of leave not availed of, as per company rules.

(ix) Provision of car and telephone as per company rules.

(x) Any other benefits, amenities and facilities including educational allowance for children as per company rules for the time being in force or authorized by the Board.

“Family” means the spouse, dependent children and dependent parents of Shri Krupeshbhai G. Thakkar.

D) MINIMUM REMUNERATION:

Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of appointment of the Managing Director, the company has no profits or its profits are inadequate, the Managing Director shall be entitled to remuneration by way of salary and perquisites as provided in Schedule XIII of the Companies Act, 1956. In addition, the Managing Director shall be entitled to the following perquisites which shall not be included in the computation of the ceiling on minimum remuneration specified herein.

a. Contribution to provident fund, superannuation fund or annuity fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

b. Gratuity not exceeding one half month's salary for each completed year of service.

c. Encashment of leave as per company rules.

Shri Krupeshbhai G. Thakkar, age 42 years, has very wide experience in laminated sheets, particle board and other allied items. He is in association with the Company since incorporation and has played a key role in the growth of the company. He is very dynamic person. He is also a director in the Shri Krupa Decorative Veneer Pvt. Ltd. and Vertex Laminate Pvt. Ltd.

He is looking into the new projects, finance, purchase of major material etc. A monthly remuneration of ₹ 175000/- was approved by shareholders in the year 2007, thereafter it was not changed. Presently, he is holding 15,33,567 equity shares in his individual capacity. Board of Directors believes that continuance of Shri Krupeshbhai G. Thakkar would be vast beneficial to the Company and recommend that the aforesaid resolution be passed by the members.

Except Shri Krupeshbhai G. Thakkar and Shri Ghanshyambhai A. Thakkar, no other Director of the Company is interested or concerned in the aforesaid resolutions.

ITEM NO. 7

Shri Ghanshyambhai A. Thakkar was appointed as Wholetime Director of the Company for a period of five years from 1st September, 2007. As the tenure of his appointment will expire on 31st August, 2012, the Board of Directors, at its meeting held on 26th May, 2012 reappointed him as Wholetime Director of the Company, subject to the approval of members and others, for a further period of five years from the expiry of his present term.

It is proposed to seek Members' approval for the re-appointment of and remuneration payable to Shri Ghanshyambhai A. Thakkar, as Wholetime Director, in terms of the applicable provisions of the Companies Act, 1956.

Broad particulars of the terms of re-appointment of and remuneration payable to Shri Ghanshyambhai A. Thakkar are as follows:

A) SALARY :

Salary of ₹ 3,50,000/- per month subject to such periodical increments as may be decided by the Board of Directors on recommendation of the Remuneration Committee subject however that the aggregate remuneration on account of salary shall not exceed ₹ 7,00,000/- per month.

B) PERIOD:

5 years with effect from 1st September, 2012 to 31st August, 2017.

C) PERQUISITES (including allowances)

(i) Housing: Furnished/Unfurnished residential accommodation or house rent allowance in lieu thereof.

The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per the Income – Tax Rules, 1962.

(ii) Medical reimbursement: Expenses incurred for Shri Ghanshyambhai A. Thakkar and his family as per company rules.

(iii) Leave Travel Concession: For Shri Ghanshyambhai A. Thakkar and his family, incurred in accordance with the company rules.

(iv) Club Fees: Fees of clubs subject to a maximum of two clubs. This will not include admission and the life membership fees.

(v) Mediclaim Policy: Payment of Premium as per company rules.

(vi) Personal Accident Insurance: Premium as per company rules.

(vii) Contribution to Provident Fund, Superannuation Fund, Annuity Fund/Contribution to Gratuity as per company rules.

(viii) Encashment of leave not availed of, as per company rules.

- (ix) Provision of car and telephone as per company rules.
- (x) Any other benefits, amenities and facilities including educational allowance for children as per company rules for the time being in force or authorized by the Board.

“Family” means the spouse, dependent children and dependent parents of Shri Ghanshyambhai A. Thakkar.

D) MINIMUM REMUNERATION:

Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of appointment of the Wholetime Director, the company has no profits or its profits are inadequate, the Wholetime Director shall be entitled to remuneration by way of salary and perquisites as provided in Schedule XIII of the Companies Act, 1956. In addition, the Wholetime Director shall be entitled to the following perquisites which shall not be included in the computation of the ceiling on minimum remuneration specified herein.

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
- b. Gratuity not exceeding one half month's salary for each completed year of service.
- c. Encashment of leave as per company rules.

Shri Ghanshyambhai A. Thakkar, age 69 years, has an experience of more than 40 years in the field of laminated sheets, plywood, particle board, prelam board and allied items. He is on board since 2007 and is proved an Engine in the growth of a Company. Shri Ghanshyambhai A. Thakkar promoter of our company holds Bachelor of Science degree from Gujarat University and holds Diploma in Civil Engineering from Department of Technical Education from Gujarat State. He is Chairman Cum Whole Time Director in the Company. As a Whole Time Director he is involved in day to day operations of our Company.

He is looking into the finance management, purchase of raw material etc. A monthly remuneration of ₹ 175000/- was approved by shareholders in the year 2007, thereafter it was not changed. Presently, he is holding 20,04,113 equity shares in his individual capacity. Board of Directors believes that continuance of Shri Ghanshyambhai A. Thakkar would be beneficial to the Company and recommend that the aforesaid resolution be passed by the members.

Except Shri Ghanshyambhai A. Thakkar and Shri Krupeshbhai G. Thakkar, no other Director of the Company is interested or concerned in the aforesaid resolutions.

ITEM NO. 8

The Company had undertaken the Initial Public Offer (IPO) through the 100% book building route. The IPO opened for subscription on June 20, 2011 and closed on June 23, 2011. The IPO comprised a fresh issue of 56,43,750 equity shares including promoters portion of 2,43,750 equity shares of face value of ₹ 10/- at a premium of ₹ 62/- per equity share.

In the prospectus dated June 28, 2011, Company had specified the entire Pre issue Equity Share Capital of a Company other than the Minimum Promoter's contribution, which is locked in for a period of three years, shall be locked in for a period of one year from the date of commencement of commercial production or date of allotment in the present public issue, whichever is later in terms of SEBI (ICDR) Regulations, 2009.

But, the provision in SEBI (ICDR) Regulation, 2009, in respect of Lock-in period of PRE IPO Equity shares, other than minimum promoters' contribution of 20%, is as under:

Regulation 36(b): promoters' holding in excess of minimum promoters' contribution shall be locked-in for a period of one year:



Regulation 37: In case of an initial public offer, the entire pre-issue capital held by persons other than promoters shall be locked-in for a period of one year:

As per the above regulations entire Pre IPO Equity shares in excess of minimum promoters' contribution shall be locked-in for a period of one year.

In our case, Company has made allotment of equity shares on 2nd July, 2011, and therefore as per Regulation 36(b) and 37 of the SEBI (ICDR) Regulations, 2009, the entire Pre IPO Equity shares in excess of minimum promoters' contribution should be released from lock-in w.e.f. 2nd July, 2012.

Presently, the entire Pre issue Equity Share Capital of a Company other than the Minimum Promoter's contribution is locked in up to 7th December, 2012 which is not in line with SEBI (ICDR) Regulation, 2009. This was mentioned inadvertently in the Prospectus which was not in line with SEBI (ICDR) Regulations, 2009 which is to be rectified.

Pursuant to the provisions of Section 61 of the Companies Act, 1956, the Company shall not vary the terms referred to in the Prospectus except subject to the approval of or except on authority given by the Company in a general meeting. Accordingly, it is considered appropriate to seek the approval and ratification of the members to confer authority in favour of the Board for doing the necessary activities to give effect to the change of Locked-in period of PRE IPO Equity shares, other than minimum promoters' contribution of 20% as per SEBI (ICDR) Regulation, 2009.

Shri Krupeshbhai G. Thakkar, Shri Ghanshyambhai A. Thakkar, Shri Kabdi Narendra Kumar Jain, Directors of the Company are deemed to be interested to the extent of equity shares held by them and their relatives which are locked in for a period of one year.

By Order of the Board of Directors,
For Rushil Décor Limited

Hasmukh K. Modi
Company Secretary

Registered Office :
S.No. 125, Nr. Kalyanpura Patia,
Vill. Itla, Gandhinagar Mansa Road,
Tal. Kalol, Dist. Gandhinagar.

Date: 26th May, 2012

**DIRECTORS' REPORT**

To,
The Members,
Rushil Decor Limited

Your Directors have pleasure in presenting Eighteenth Annual Report on the business and operations of the Company along with the Audited Statement of Accounts for the year ended 31st March, 2012:

FINANCIAL HIGHLIGHTS**(₹ in Lacs)**

Particulars	2011-2012 (in ₹)	2010-2011 (in ₹)
Gross Turnover Including Excise	15481.70	12236.42
Profit before Interest, Depreciation and Tax	1857.19	1523.66
Less: Financial costs	814.55	622.41
Profit before Depreciation and Tax	1042.64	901.25
Less: Depreciation and Amortization Expenses	256.43	237.98
Profit before Tax	786.21	663.27
Provision for Tax:		
Current Tax	157.56	148.01
Deferred Tax	62.84	67.74
Profit after Tax	565.81	447.52
Add: Balance of Profit brought forward from previous year	815.91	452.35
Profit available for appropriation	1381.72	899.87
Appropriation to:		
Dividend on Equity Shares(including tax on dividends)	83.68	83.96
Balance Carried over to the Balance Sheet	1298.04	815.91

DIVIDEND

Your directors are pleased to recommend 5% dividend on equity shares, subject to approval by the shareholders at the ensuing Annual General Meeting. The dividend payout on equity shares recommended by the directors of the Company will be ₹ 72,00,000/- calculated at the rate of 5% (₹ 0.50 per share) on 1,44,00,000 equity shares of the face value of ₹ 10 each.

REVIEW OF BUSINESS OPERATION

Gross Turnover in the year 2011-12 is ₹ 15481.70 lac which was ₹ 12236.42 lac in the previous year reflecting a growth of 26.52% in current year. Highlights of performance are discussed in detail in the Management Discussion and Analysis Report which is enclosed with this report and forming part of the Directors' Report.

UTILISATION OF IPO PROCEEDS

The Audit Committee and Board of Directors of the Company have taken on record the statement of utilization of IPO proceeds as on March 31, 2012 and the same is as under:

Sr. No.	Particulars	(₹ in Lacs)	
		Amount to be utilized as per Prospectus	Amount utilized upto 31.03.2012
1	For New Project	2536.89	2536.89
2	Margin of Working Capital Requirement	336.84	0.00
3	Public Issue Expenses	230.48	216.57
4	General Corporate Purpose	959.29	959.29
Total		4063.50	3712.75

Balance unutilized funds are temporarily held in Company's bank account. The utilization of IPO proceeds till March 31, 2012 has been in accordance with the Objects of the Issue mentioned in the Prospectus dated June 28, 2011.

NEW PROJECT

The project at Chikmagalur, Karnataka is almost complete but awaiting electricity connectivity. Hence, full fledged commercial production shall start thereafter.

QUALITY

Your Company continues its efforts on quality through a very strong process framework implementation. Continuous process improvement by research that meets customer's expectation is a way of life of your Company. The objective is ensuring greater customer satisfaction through improved quality and variety in design, shade etc.

STAFF MOTIVATION

Company believes in fostering talent, motivating indigenous innovation and promoting leadership development. Company is running talent management and leadership development programs from several years and employees are also participating.

Company has organized a four days Shibir at Ahmedabad Management Association, Ahmedabad led by Shri Bhupendrabhai Pandya for developing and cultivating staff's inner strength and motivating them. Company is also inspiring its professionals to participate in the seminar and other programs organized by their particular institutions.

CORPORATE SOCIAL RESPONSIBILITY

1. Health Checkups & Blood Donation camp

Health being an integral and important part for the productivity of the employees, Company had organized Health checkup camp and Blood donation camp in our factory at Chikmagalur premises for staff. The health check up and blood donation camp was successfully carried out by the doctors, sisters, volunteers of Red Cross Society and the representatives of the RDL. The importance of blood donation and health tips were given by guests of honor. Free health check-up service was given to all the employees of Rushil Team at Chikmagalur.

2. Firefighting Demonstration program

"It's better to be safe than to regret for accidents towards the company employees". Company have successfully conducted Fire Awareness program with the collaboration of the department of Fire and emergency services at company premises at Chikmagalur to create the awareness of

Fire and its consequences. Various demonstrations on usage of fire Extinguisher for different types of fire and what are the precautionary measures have to be taken to avoid risk were covered in the same.

CORPORATE GOVERNANCE

A detailed report on Corporate Governance has been included as an attachment to this Report

INSURANCE

Your Company's properties, including building, plant, machineries and stocks, among others, are adequately insured against risks.

PUBLIC DEPOSITS

During 2011-12, the Company did not invite any deposits from the public attracting provisions of Section 58A of the Companies Act, 1956.

DIRECTORS

Shri Kabdi Narendrakumar Jain and Shri Shankar Prasad Bhagat, Directors of your Company, retire by rotation and, being eligible, offer themselves for re-appointment.

Appropriate resolutions for the reappointment of the aforesaid Directors are being moved at the ensuing Annual General Meeting, which the Board commends for your approval.

GROUP

The names of the Promoters and entities comprising "group" (and their shareholding) as defined under the Monopolies and Restrictive Trade Practices ("MRTP") Act, 1969 for the purposes of Section 3(1)(e)(i) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 include the following:

Sr. No.	Name of the Shareholders	No. of Shares
1	Ghanshyambhai Ambalal Thakkar	2004113
2	Krupesh Ghanshyambhai Thakkar and Ghanshyambhai Ambalal Thakkar partners representing Rushil International	1845770
3	Krupesh Ghanshyambhai Thakkar	1533567
4	Krupesh G. Thakkar Karta of Krupesh Ghanshyambhai Thakkar (HUF)	1389693
5	Krupa Krupesh Thakkar	395180
6	Ghanshyambhai A. Thakkar karta of Ghanshyambhai Ambalal Thakkar (HUF)	385382
7	Dinuben Ghanshyambhai Thakkar	237675
8	Sarswatiben Ambalal Thakkar	208524
9	Shri Krupa Decorative Veneer Pvt. Ltd.	Nil
10	Shri Krupa Eco Products Pvt. Ltd.	Nil
11	Vertex Laminates Pvt. Ltd.	Nil
	Total	7999904

AUDITORS & AUDITORS' REPORT

M/s. Parikh & Majmudar, Chartered Accountants, Ahmedabad, retire at the ensuing Annual General Meeting. The Company has received confirmation from them that their appointment, if approved by the shareholders, would be within the ceiling prescribed under section 224(1B) of the Companies Act, 1956. The members are requested to reappoint auditors to hold office until the conclusion of the next Annual General Meeting of the Company.

AUDIT COMMITTEE

The members of the Audit Committee are Shri Shankar Prasad Bhagat, Chairman, Shri Narendrakumar Jain Kabdi, and Shri Harshadbhai Navnital Doshi, all are independent Non Executive Directors of the Company.

COST AUDIT REPORT

The Board of Directors has re-appointed, subject to the approval of the Central Government, M/s. Kiran J Mehta and Co., Cost Accountants, as the Cost Auditors of the Company under section 233B of the Companies Act, 1956 to audit the Cost Accounts of the company for the financial year 2012-13. Following are the details of Cost Auditor:

Particulars of the Cost auditor: M/s. Kiran J Mehta and Co., Cost Accountants, Membership No. 4733, address at 257, 2nd Floor, Ellisbridge Shopping Centre, Opp. M. J. Library, Ahmedabad – 380 006. E-mail: kjmehta1977@gmail.com.

Cost Audit report for the year 2011-12 will be filed in due time prescribed by the Ministry of Corporate Affairs.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under section 217(2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that,

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- (b) The Directors have selected such accounting policies and have applied them consistently and have 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 of the Company for the year under review;
- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors have prepared the annual accounts on a going concern basis.

PARTICULARS OF THE EMPLOYEES

The Company had not paid any remuneration attracting the provisions of section 217(2A) of the Companies Act, 1956 read along with the Companies (Particulars of Employees) Rules, 1975. Hence, no information is required to be appended to this report in this regard.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required, to be disclosed in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is annexed hereto and forms part of this report.



ACKNOWLEDGMENTS

Your Directors are pleased to place on record their sincere appreciation for the valuable assistance and co-operation extended to the company by its Customers, Bankers, Financial Institutions, State and Central Government Authorities, Service Providers, Contractors and the Stakeholders. Your Directors desire to place on record their appreciation of the dedicated services and valuable contribution by the employees of the company at all levels.

For and on behalf of Board of Directors

Place: Ahmedabad
Date: 26th May, 2012

Ghanshyambhai A. Thakkar
Chairman

ANNEXURE TO DIRECTORS' REPORT

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Under section 217(1) (E) of the Companies Act, 1956

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

1. Conservation of Energy

A. Energy Conservation Measures Taken

Company has successfully implemented various energy conservation techniques in the areas of lighting, vacuum system, air-conditioning and process water cooling / evaporation systems at its manufacturing facilities. Following are some of them:

- Checking and supervision of the power supply network at regular interval and take remedial and positive actions to maximise energy usage for ensuring a resourceful system of energy supply.
- Company uses water in boiler which is passing from dryer. The water passes from the dryer have nearly 85° c heating and have no further use except for reprocessing at subsequent stage. However, Company is using the hot water into boiler which is coming from dryer. Thus, this process save the burning cost of boiler which is coming from dryer. This process save the burning cost of boiler to some extent, because the water coming from dryer already has temperature nearly 85° c.
- Installation of Variable Frequency Drives for pumps as well as blowers for best possible utilization of electric energy as per variable volumes to handle.
- Installation of Auto Voltage Regulator to lower the electricity supply losses.
- Company is avoiding utilizing higher rated compressors and generally used lower capacity compressors.
- Company is utilizing highly efficient electronic motors, lights, fans etc.
- Company has installed big air ventilators, which run on wind speed and do not require electricity.
- Company is utilizing flue gases in MDF dryer to increase boiler efficiency to a maximum level.
- All manufacturing plants are using natural lighting and ventilation system to the extent possible.

B. Additional Investments and Proposals, if any, for energy conservation

Company always remains aggressive to invest for energy.

C. Impact of the Measures taken

Energy conservation measures mentioned above is not only beneficial to the Company, but is also in the interest of the Nation.

2. Research and Development (R&D)

A. Specific areas in which R & D has been carried out:

There is no specific area for which R & D is carried out.

B. Benefits derived as a result of the above R & D

Not Applicable

C. Future plan of action

As and when required Company may take up R&D for the products undertaken to manufacture by the Company.

D. Expenditure on R & D

NIL

3. Technology Absorption and Innovation

A. Steps adopted: Company has updated some of the machineries which may impact by way of cost saving, eco friendly environment, quality improvement etc. The major updation are as follows:

- **Dryer:** Company has installed high speed double capacity dryer with VFD.
- Imported **Sanding machine** in laminate sheet manufacturing unit.
- **Treated Dust collector** of nearly 3 micron.
- **Bag filter** functioning as dust collector from Air and treatment thereof.
- **Multicon cyclone** which is Environment friendly.
- **Pre Air Heater**, efficiency boosting equipment which increase the heating and efficiency of boiler.

Company is also technology conscious for which it regularly participates in national and international conference, seminar, exhibition etc. Company is also launching new catalogs at regular intervals by analyzing the needs of customers.

B. Benefits derived as a result of above efforts

- Product (quality) improvement
- Reduced cost of final products
- Reduction in process time
- Conservation of energy
- Smooth processing
- Saving of Environment
- Increase in customer base
- Increase in the brand value of Company

C. Imported Technology

Company has imported MDF Plant having capacity of 300 M³ per day from Shanghai Wood based Panel Machinery Co. Ltd., China for its Chikmagalur MDF manufacturing plant. Company has also imported Sanding machine for its existing laminated manufacturing unit.

D. Foreign Exchange Earning and Outgo

The particulars regarding foreign exchange earnings and outgo are as follows:

Particulars	(₹ in Lacs)	
	2011-12	2010-11
Expenditure in Foreign currency	234.09	28.65
Earning in Foreign Exchange	7095.06	4390.03

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMIC CONDITIONS

Financial Year 2011-12 was a challenging year for the economies across the world. It witnessed numerous events – USA's debt and unemployment issues, political instability, challenges in the Euro-zone, political disorder in the Middle East & North Africa, aftermath of the earthquake & tsunami in Japan and concerns of US economy downgrade by rating agencies – impacting growth. Global conditions impact the currency movement as well. In times of high uncertainty as seen, most currencies usually depreciate against US Dollar. The developing nations on the other hand showed signs of stability and emerged as a ray of hope to the rest of the world.

INDIAN ECONOMY POSITION IN 2011-12

The Indian Rupee has depreciated significantly against the US Dollar marking a new risk for Indian economy. Till the beginning of the financial year (Apr 11-Mar 12) very few had expected Rupee to depreciate with most hinting towards either appreciation or status quo in the rupee levels. Those few who had even anticipated may not have imagined the scale of depreciation with rupee touching a new low to the US Dollar.

During the year under review, the Indian GDP grew at 6.9% compared to 8.4% in the previous year. Country's slowdown can be attributed to the weakening Industrial growth. Inflation in India remained at very high level during the year 2011-12 and led to the tight monetary policy by RBI. At the same time, sight must not be lost of the fact that, by any cross country comparison, India remains among the front-runners. With agriculture and services continuing to perform well, India's slowdown can be attributed to weakening industrial growth.

INDUSTRY STRUCTURE AND DEVELOPMENT

The growth of Company's products (Laminates Sheets, Particle Board & Allied Products) is based on the push-and-pull effects of Demand and Supply determinants like the economic trends in India & Outside, growth of infrastructure and housing. Company's half of the market is also depend on export sales, so it is also impacted by the global economy.

Monetary policy was tightened by the Reserve Bank of India (RBI) during the year to control inflation and the slowing inflation reflects the lagged impact of actions taken by the RBI and the government, it is affected the demand of company product also.

India's urban population is expected to rise from 28 per cent to 40 per cent of the total population by 2020, placing increasing strain on the country's urban infrastructure. Future growth is likely to concentrate in and around 60 to 70 large cities having a population of one million or more. This may generate more and more demand for housing sector and connected products i.e. furniture.

India's per capita income doubled in seven years and is expected to increase to USD 2,000 by 2016-17 and USD 4,000 by 2025. This may affect to the lifestyle of public and demand for lifestyle products like furniture will increase. Traditionally, Indians have invested in real estate, which promise well for interior infrastructure companies. As a result of the growing housing and tourism sectors and rising per capita incomes, the furniture sector output is expected to grow 15% annually for the next five years.

Specific areas in which R & D has been carried out, It always remains prime goal of the Company to provide innovative product in design and finishing to the customers without compromising with quality.

OPPORTUNITIES AND THREATS

OPPORTUNITIES

To enhance it's customer services; Company has initiated activities to establish Medium Density Fibre (MDF) Board Project in the state of Karnataka. Both globally as well as in India, MDF is fast gaining acceptability for a wide range of interior decoration as well as exterior applications, to take several

advantages, which MDF has to offer over the conventional panel products like Plywood as well as the non-conventional agro based wood substitute product.

Company has received good response to the product of plain particle board manufactured at its Navalgadh Unit.

The market is highly fragmented, with unorganized sector controlling major market share. The organized segment is highly concentrated, with only few players constituting around 30% of the market, Company will take advantages of market position, volume of productions, quality and the brand. Now the growth of organized sector is estimated to be 20-25% compared to the overall market growth of 15%. Organized sector growth will partly come from conversion of some of unorganized sector players as organized sector players.

Renovations of Bank Branches and opening of new branches by banks are in full swing, Insurance and health care sector is also in growth mode indicating growing demand for Particle Board, Laminates and other allied products. New hospitals and star hotels are coming up with new projects in larger way.

THREATS

- Cheaper product import
- Competition from both unorganized and other organized players, leading to difficulties in improving market share
- Emergence of new organized players will increase competition in organized sector.
- Shortage of primary raw material
- Stringent regulatory norms regarding concerns over the environment
- The unorganized segment has advantages in terms of excise waivers and other benefits due to their SSI status.

The Company is one of India's leading laminate sheets and Particle Board manufacturing companies with a very strong brand image. Over the years the company maintained customer faith by providing quality and variety products to its customers. The Company, with its 5 units (including New Project) spread over different geographical locations is ready to meet present and future demand of the products across the country with a huge logistical advantage. The company is prepared to meet increased demand through organic expansions and updation at its existing units. Laminate is used to provide aesthetic look to plywood. Its market scenario goes along-with plywood market scenario. Like plywood, company is aspiring to achieve utmost customer confidence for its laminates and as such is focusing more on quality then quantity.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

LAMINATES & ALLIED PRODUCTS

Laminate division also performed quite well. The company's focus remained to grab premium market share. The "VIR LAMINATE" & "SIGNOR" the brands under which company's laminates are being sold is today a symbol of quality and is attaining consumer preference. The turnover of Laminate segment was up from ₹ 10743.77 lacs in 2010-11 to ₹ 12845.06 lacs in 2011-12 showing growth of over 20%.

PARTICLE BOARD

The turnover of Particle Board segment was up from ₹ 1294.84 lacs in 2010-11 to ₹ 1949.34 lacs in 2011-12 showing growth of 50%. This is mainly due to improved overall economy, especially in the real estate sector.

EXPORT PERFORMANCE

The Export of company was up from ₹ 6579.38 lacs in 2010-11 to ₹ 7886.43 lacs in 2011-12 showing growth of over 19.86%. This is mainly due to improvement in the sector of real estate and Infrastructure.

FUTURE OUTLOOK

In the FY 2012-13, one more segment "Medium Density Fibre Board" will be added in the growth of Company. Actually, Company has readymade market for its laminate sheet and particle board unit which may help to capture market for its MDF product.

The Company's outlook for the year ending 31st March, 2013 is to maintain and if possible to increase present capacity utilization with future growth.

RISKS AND CONCERNS

The company is exposed to the normal industry risk factors of interest rate volatility, economic cycle, and credit risk, Asset Risks (natural calamity etc.), Human Resource Risks and IT Risks. The Company manages these risks by maintaining a conservative financial profile, by following prudent business and risk management practices and your Company's properties, including building, plant, machineries and stocks, among others, are adequately insured against risks to the extent possible.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate system of Internal Controls aimed at achieving efficiency in operations, optimum utilization of resources and compliance with all applicable laws and regulations. Company has internal control Department which is looking all the financial, operational and other relates transaction.

Besides, the company has its own in-house audit function, which conducts routine audit of activities. The observations and recommendations for improvement of the business operations are reviewed by the management and are reported to the Audit Committee. The Audit Committee comprises of only independent directors. The Company has adequate and effective internal control system, which are continuously reviewed for their effectiveness. The systems are periodically reviewed and corrective measures are taken to further strengthen them.

The Company has Certifications ISO 9001:2000 for Quality Assured, ISO 18001:1999 for Health and Safety and ISO 14001:2004 for Environmental System. The products manufactured by Our Company are regularly tested for chemical properties before it is approved for dispatch.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.

The Gross Turnover (including Excise Duty) of company was up from ₹ 12236.42 Lacs in 2010-11 to ₹ 15481.70 Lacs in 2011-12 showing growth of 26.52%.

The Profit Before Tax of company was up from ₹ 663.27 Lacs in 2010-11 to ₹ 786.21 Lacs in 2011-12 showing growth of 18.54%.

The Export of company was up from ₹ 6579.38 lacs in 2010-11 to ₹ 7886.43 lacs in 2011-12 showing growth of 19.86%.



MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company recognizes the important role that its employees played for the growth of various business activities. Company promotes its employees to attend outside seminars. The employees are encouraged to offer productive suggestions for improvement in their respective areas which are thoroughly discussed in periodical meetings. The company maintains absolute synchronization with its people. The total manpower strength of the Company as on 31st March, 2012 was nearly 290.

The human resource policies and processes of the Company are in line with this. The Company has been maintaining cordial and healthy Industrial Relations, which has helped to a great extent in achieving the upper growth.

CAUTION STATEMENT

Statements in the Management Discussion and Analysis describing the various parts may be “forward looking statement” within the meaning of applicable securities laws and regulations. The actual results may differ from those expectations depending upon the economic conditions, changes in Govt. Regulations and amendments in tax laws and other internal and external factors.

CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange)

The report on Corporate Governance is pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges and forms a part of the report of the Board of Directors. The Company has complied with the applicable provisions of Clause 49 of the Listing Agreement.

1. COMPANY'S PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Corporate Governance is integral to the philosophy of the Company in its pursuit of excellence, growth, and value creation. The Company believes in achieving business excellence and optimizing long-term value for its shareholders on a sustained basis through ethical business conduct. It envisages attainment of the highest level of transparency, accountability and equity in all fields of its operations and all its interactions with shareholders, employees, lenders and government. The Company believes that, in whatever it does, it must contribute to the economic and social development of nation.

2. BOARD OF DIRECTORS

The Board of Directors of the Company consists of an optimum combination of executive and non-executive directors to preserve the independence of the Board, and to separate its functions of governance and management.

The Board of the company has an optimum combination of Promoter, Independent, Executive and Non-executive Directors. The Board of directors comprises 5 Directors out of which 3 Directors are Non-executive Independent Directors. The Chairman of the Company is an Executive director.

Shri Kabdi Narendrakumar Jain holds 163974 Equity Shares of Rs. 10/- each in Rushil Décor Limited. No other non-executive directors are holding any shares in the Company. There is no pecuniary relationship or transactions of the Non-executive directors vis-à-vis the Company except Shri Kabdi Narendrakumar Jain holding equity shares in the Company.

None of the Directors of a Company hold office of director of more than 15 companies in terms of Section 275 of the Companies Act, 1956 or member on more than 10 Committees and Chairman of more than 5 Committees across all the Companies in which he is a Director as on 31.03.2012.

The Board members have expertise in different fields of corporate working i.e. finance, technical, marketing, administration, etc. The Independent Directors are expert/professionals with high credentials and actively contribute in the deliberations of the Board. Mr. Krupeshbhai G. Thakkar,

Managing Director is the Son of Mr. Ghanshyambhai A. Thakkar, Chairman of the Company, except this there is no relationship between the directors inter-se.

Composition and other related information of Directors as on 31st March, 2012 is as follows:

Sr. No.	Name of the Director	Category	No. of Board meetings attended out of 16 meetings of the Board of Directors	No. of Directorship in other Public Companies (including this Company) registered under the Companies Act, 1956		No. of Committee position in other Public Companies (including this Company) registered under the Companies Act, 1956 (*)		Attendance at last AGM
				As Chairman	As Member	As Chairman	As Member	
1	Mr. Ghanshyambhai A. Thakkar	Chairman (Executive Director and Promoter)	16	1	—	—	—	Yes
2	Mr. Krupeshbhai G. Thakkar	Managing Director (Executive Director and Promoter)	16	—	1	—	—	Yes
3	Mr. Shankar Prasad Bhagat	Non Executive and Independent Director	13	—	7	3	1	Yes
4	Mr. Narendra Kumar Jain Kabdi	Non Executive and Independent Director	10	—	1	—	1	No
5	Mr. Harshadbhai Navnitlal Doshi	Non Executive and Independent Director	15	—	1	—	1	Yes

(*) This includes only membership / chairmanship in Audit Committee and Shareholders / Investors Grievance Committee of Public Companies governed by the Companies Act, 1956. Chairmanship / membership in Remuneration committee is not covered here.

Information supplied to the Board of Directors:

During 2011-12, all necessary information, as required under the provisions of the Companies Act, 1956, Corporate Governance and other applicable laws and rules were placed and discussed at the board meetings. The composition of the Board is in accordance with Clause 49 of Listing Agreement entered into with the Stock Exchanges.

The Board is also kept informed of major events/items and approvals taken wherever necessary. The Board meets at least once in every quarter to review the quarterly results and other items on the agenda. During the year 2011-12, Company issued Equity shares through Initial Public Offer and is listed with BSE & NSE. So, Additional meetings were also held, when deemed necessary. Board of Directors met 16 times during the Financial Year 2011-12. The Board Meetings were held on 29th April, 23rd May, 26th May, 8th June, 11th June, 14th June, 16th June, 28th June, 2nd July, 4th July, 8th July, 2nd August, 18th August, 13th September, 10th November in 2011 and 4th February in 2012.

3. CODE OF CONDUCT

The Company has laid down a code of conduct for all Board members and Senior Management of the Company. Details of the Code of Conduct for Board members and senior management of the Company is available on the Company's website www.virlaminate.com.

4. AUDIT COMMITTEE

Brief Description of term of reference:

Composition and terms of reference of the Audit Committee are in compliance with the provisions of Clause-49 of the Listing Agreement and Section 292A of the Companies Act, 1956. Major terms of reference of the Committee include overseeing the financial reporting process, review of the financial statements, review of internal audit reports, recommending appointment and remuneration of the statutory auditors to the Board of Directors and review of adequacy of internal control systems and internal audit function. The Committee is headed by Mr. Shankar Prasad Bhagat who is a fellow member of the Institute of Chartered Accountants of India and has vast and diverse experience in financial management, corporate affairs, accounting and audit matters.

Composition:

The Company's Audit Committee comprises three non-executive independent directors. The Company Secretary acts as a secretary to the Audit Committee.

Name of the Director	Designation	Nature of Directorship	No. of Meetings	
			Held	Attended
Mr. Shankar Prasad Bhagat	Chairman	Non Executive - Independent Director	6	6
Mr. Narendra Kumar Jain Kabdi	Member	Non Executive - Independent Director	6	4
Mr. Harshadbhai Navnitlal Doshi	Member	Non Executive - Independent Director	6	6

The members of the committee are well-versed in matters relating to finance, accounts and general management practices.

Mr. Shankar Prasad Bhagat, Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

5. REMUNERATION COMMITTEE

The Remuneration Committee was constituted on December 04, 2007 and the same has been reconstituted on October 05, 2009.

The Broad terms of reference of Remuneration Committee are given below:

- To decide and approve the terms and conditions for appointment of executive directors and/ or whole time Directors and Remuneration payable to other Directors and matters related thereto.
- To recommend to the Board, the remuneration packages of the Company's Managing / Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);

Composition, name of members and Chairperson:

The Remuneration Committee consists of three non-executive independent directors, to comply with and meet the requirements of the listing agreement and Schedule XIII of the Companies Act, 1956. Mr.

Shankar Prasad Bhagat is the Chairman and Mr. Narendra Kumar Jain Kabdi & Mr. Harshadbhai Navnitlal Doshi are members of the Remuneration Committee. The Company Secretary acts as Secretary to the Committee.

Attendance during the year:

Although, the Committee did not meet during the financial year 2011-12, the members held discussions amongst themselves in the appointment of professionals and made appropriate suggestions to the board.

Details of remuneration of directors:

The detail of remuneration paid to the directors during the financial year 2011-12 is as under:

Name	Remuneration in ₹
Mr. Ghanshyambhai A. Thakkar	21,00,000
Mr. Krupeshbhai G. Thakkar	21,00,000

6. SHAREHOLDERS/ INVESTOR'S GRIEVANCES COMMITTEE

Composition:

The Shareholders/ Investor's Grievances Committee were constituted on October 05, 2009 in compliance with Clause 49 of the Listing Agreement. The Shareholders/ Investor's Grievances Committee comprise two promoter directors and one non-executive independent Director. This Committee has been constituted with the following Directors:

Name of the Director	Designation	Nature of Directorship
Mr. Shankar Prasad Bhagat	Chairman	Non Executive - Independent Director
Mr. Ghanshyambhai A. Thakkar	Member	Executive Chairman
Mr. Krupeshbhai G. Thakkar	Member	Managing Director

The Shareholders/ Investor's Grievances Committee reviews shareholder grievances and related requests received from the shareholders. During the Financial Year 2011-12, four meetings of the Shareholders' Grievance Committee were held on 26.08.2011, 27.09.2011, 07.11.2011 and 01.02.2012. All the members were present at the meetings.

Mr. Hasmukh K. Modi, Company Secretary, acts as the secretary to the Committee and compliance officer of the Company.

During the Financial Year 2011-12, 7 complaints/requests were received from the shareholders/investors through SEBI/Stock Exchange and directly from shareholders. All the complaints/requests were resolved to the satisfaction of the shareholders. As on 31.03.2012, not a single complaint was pending as unresolved.

7. GENERAL BODY MEETINGS

The details of last three Annual General Meetings of the shareholders are as under:

Year	Location	Date	Time
2008-09	At the Registered office of the Company at S. No. 125, Nr. Kalyanpura Patia, Village Itla, Gandhinagar Mansa Road, Tal. Kalol, Dist. Gandhinagar.	29.09.2009	11.00 a.m.
2009-10	At the Registered office of the Company at S. No. 125, Nr. Kalyanpura Patia, Village Itla, Gandhinagar Mansa Road, Tal. Kalol, Dist. Gandhinagar.	13.09.2010	11.00 a.m.
2010-11	At the Registered office of the Company at S. No. 125, Nr. Kalyanpura Patia, Village Itla, Gandhinagar Mansa Road, Tal. Kalol, Dist. Gandhinagar.	21.09.2011	11.00 a.m.

Company had not passed any special resolution in the previous three AGMs. No resolution was passed through Postal Ballot during the last Financial Year. At the forthcoming 18th AGM, no special resolution is proposed to be passed through Postal Ballot.

8. DISCLOSURES

- (1) **Related Party Transactions:** There are no materially significant related party transactions i.e. transactions material in nature, with its Promoters, the Directors or the Management or relatives etc. having potential conflict with the interests of the Company at large. Other related party transactions have been reported in Notes to Accounts. The Register of Contracts containing transactions, in which the Directors are interested, is placed before the Board regularly.
- (2) **Disclosure of Accounting Treatment:** The Company follows Accounting Standards notified by the Institute of Chartered Accountants of India in the preparation of financial statements and has not adopted a treatment different from that prescribed in any Accounting Standard.
- (3) **Details of Non-Compliance:** There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three financial years and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India or any other statutory authority. The Company had complied with all mandatory requirements and some non-mandatory requirements of Corporate Governance as required by the Listing Agreement.
- (4) **CEO/CFO Certification:** Managing Director and Vice President – Accounts & Finance have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended March 31, 2012, which is separately annexed to this report.

9. MEANS OF COMMUNICATION

The quarterly/half-yearly/annual financial results of the Company are sent to stock exchanges immediately after they are approved by the Board of Directors. Results also published in the prescribed pro-forma within 48 hours of the conclusion of the meeting of the Board in which they are considered, in English newspaper and in one vernacular (Gujarati) newspaper of the state where the registered office of the Company is situated. In addition, these results are simultaneously posted on the Company's website www.virlaminate.com.

Pursuant to the Clause 47(f) of the listing agreement, the Company has created an exclusive ID ipo@rushil.com for this purpose. The Company's website also displays required other details / information of interest to various stakeholders. Management Discussion and Analysis Report is being presented as a part of the Annual Report.

**10. GENERAL SHAREHOLDERS' INFORMATION**

AGM: Date, Time and Venue	Monday, August 20, 2012 at 9.00 a.m. at the Registered Office of the Company at S. No. 125, Nr. Kalyanpura Patia, Village Itla, Gandhinagar Mansa Road, Tal. Kalol, Dist. Gandhinagar – 382845, Gujarat, India.
Financial Year	1st April 2011 to 31st March 2012
Directors seeking appointment / re-appointment	As required under Clause 49(IV)(G), particulars of Directors seeking appointment / re-appointment are given in the Notes of the Notice of the Annual General Meeting to be held on August 20, 2012.
Date of Book Closure	From Wednesday, 15th August, 2012 to Monday, 20th August 2012, (both days inclusive)
Dividend Payment Date	On or after August 20, 2012 (within the statutory time limit of 30 days) subject to shareholders approval.
Listing of Equity Share at Stock Exchanges	Bombay Stock Exchange Limited, Mumbai National Stock Exchange of India Limited, Mumbai
Demat ISIN Numbers in NSDL & CDSL	INE573K01017
Stock Code/Symbol	BSE Equity Script Code: 533470 NSE Equity Symbol: RUSHIL

Stock Performance:

Market Price Data

Month	Bombay Stock Exchange (in ₹)		BSE Sensex	National Stock Exchange (in ₹)	
	High	Low		High	Low
July 2011	190.90	75.00	18197.20	203.40	74.50
August 2011	148.55	101.65	16676.75	148.50	95.20
September 2011	207.00	125.15	16453.76	205.00	125.10
October 2011	199.50	133.30	17705.01	199.80	135.00
November 2011	166.60	138.00	16123.46	166.60	137.80
December 2011	161.00	113.70	15454.92	164.00	100.85
January 2012	165.30	119.25	17193.55	165.05	115.10
February 2012	194.00	155.00	17752.68	194.00	154.15
March 2012	225.95	178.55	17404.20	226.05	177.40

Share Registrar and Transfer Agent:

Bigshare Services Private Limited
E/2, Ansa Industrial Estate, Sakivihar Road,
Sakinaka, Andheri (E), Mumbai – 400 072.
TelNo.: 022- 40430295 FaxNo.: 022- 28475207
Email: bhagwan@bigshareonline.com

Share Transfer System:

Powers to approve share transfers and related requests have been delegated by the Shareholders / Investors Grievance Committee to concerned department of the Company for expeditious disposal of shareholders' requests and complaints. Share transfers / transmission, if any, are taken up for approval and the transferred securities are dispatched to the transferees within the stipulated time. Details of transfers / transmission approved by the delegates are noted by the Shareholders / Investors Grievance Committee at its next meeting.

Distribution of Shareholding as on 31st March, 2012:
(i) By size of shareholding

No. of Shares	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Shareholding
01 to 500	1007	83.64	75085	0.52
501 to 1000	42	3.49	31838	0.22
1001 to 2000	24	1.99	35176	0.24
2001 to 3000	8	0.66	18529	0.13
3001 to 4000	7	0.58	25517	0.18
4001 to 5000	6	0.50	27929	0.19
5001 & 10000	25	2.08	186014	1.29
10001 & above	85	7.06	13999912	97.22
Total	1204	100	14400000	100.00

(ii) Pattern of Shareholding

Sr. No.	Category	No. of holders	No. of Shares	%
1	Promoters and Promoter Group	8	7999904	55.55
2	Public Shareholding:			
	- Financial Institutions / Banks	2	9910	0.07
	- Foreign Institutional Investors	3	1013500	7.04
	- Bodies Corporate	197	3553743	24.67
	- Individuals – i. Holding nominal share capital upto Rs. 1 lakh	888	182846	1.27
	- Individuals – ii. Holding nominal share capital in excess of Rs. 1 lakh	16	1314555	9.13
	- Clearing Member	78	324781	2.26
	- Non Resident Indians	12	761	0.01
	Total	1204	14400000	100.00

**Dematerialization of shares:**

Equity shares of the Company can be traded in dematerialized form only. The Company has established connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Demat security (ISIN) code for the equity shares is INE573K01017. As on 31st March, 2012, all the equity shares of the Company have been dematerialized except 5 equity shares which are rematerialized by one of the shareholders.

Outstanding GDRS / ADRS / Warrants / Any Other Convertible Instruments:

The Company has not issued any GDRs / ADRs / warrants or any convertible instruments as on date.

Registered office: At S. No. 125, Nr. Kalyanpura Patia, Village Itla, Gandhinagar Mansa Road, Tal. Kalol, Dist. Gandhinagar.

Plant Locations:**Laminate Divisions:**

- 1 **Unit –RDL** 608, GIDC Mansa, Dist. Gandhinagar, Gujarat.
- 2 **Unit –MRPL** At Dholakuva Patia, Gandhinagar Mansa Road, Mansa, Dist. Gandhinagar.
- 3 **Unit –RHPL** S. No.125, Nr. Kalyanpura Patia, Gandhinagar Mansa Road, Vill. Itla, Tal. Kalol, Gandhinagar.

Particle Board Division:

- 4 **Unit –Navalgadh** S. No. 270, At Village Navalgadh, Tal. Dhrangadhra, Dist. Surendranagar.

MDF Board Division:

- 5 **Unit –Karnataka** Plot No. 58, 59 & 60p, Amble Industrial Estate, Village Amble, Tal. & Dis. Chikmagalur, State Karnataka.

Address for correspondence:

To contact R&TA for all matters relating to Shares, Dividends, Annual Reports	Bigshare Services Private Limited E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai – 400 072.	Email: bhagwan@bigshareonline.com Tel No.: 022- 40430295 Fax No.: 022- 28475207
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For any other general matters or in case of any difficulties / grievances	Secretarial Department Rushil Décor Limited1, Krinkal Apartment, Opp. Mahalaxmi Temple, Mahalaxmi Society, Paldi, Ahmedabad – 380 007.	Email: ipo@rushil.com Tel No.: 079- 26622323 Fax No.: 079- 26640969
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Name of the Compliance Officer	Mr. Hasmukh K. Modi Company Secretary
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CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members of

Rushil Decor Limited

We have examined the compliance of the conditions of Corporate Governance by Rushil Decor Limited, for the year ended on 31st March, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with the concerned Stock Exchanges in India.

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

In our opinion and to the best of our information and explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For, **HITESH BUCH & ASSOCIATES**

COMPANY SECRETARIES
HITESH BUCH
Proprietor
CP No. 8195

Place : Ahmedabad.
Date: 26th May, 2012



CERTIFICATION TO THE BOARD PURSUANT TO CLAUSE 49(V) OF THE LISTING AGREEMENT

We, Krupesh G. Thakkar, Managing Director and Vipul S. Vora, Vice President – Accounts & Finance, hereby certify that in respect of the Financial Year ended on March 31, 2012

- a) We have reviewed the financial statements and the cash flow statements for the year and that to the best of our Knowledge and belief:-
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control, if any, of which we are aware and the steps taken or proposed to be taken to rectify the same.
- d) We have indicated to the auditors and the Audit Committee:-
 - i. Significant changes, if any, in internal control over financial reporting during the year;
 - ii. Significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud, if any, wherein there has been involvement of management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Ahmedabad
Date: 26th May, 2012

Krupesh G. Thakkar
Managing Director

Vipul S. Vora
VP–Accounts & Finance

DECLARATION ON CODE OF CONDUCT

This is to certify that your Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management Personnel and that the same has been uploaded on the Company's website. All the board Members and the Senior Management personnel have affirmed compliance with the Code of Conduct for the FY 2011-12.

Place: Ahmedabad
Date: 26th May, 2012

Krupesh G. Thakkar
Managing Director



AUDITORS' REPORT

To
The Shareholders,
Rushil Décor Ltd.
Ahmedabad.

We have audited the attached Balance Sheet of Rushil Décor Ltd., as at **31st March, 2012**, the Profit and Loss Statement and the Cash Flow Statement for the Year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by The Companies (Auditor's Report) Order, 2003 & the Companies (Auditors Report) (Amendment) Order 2004, issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
- (iii) The Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
- (iv) In our opinion the Balance sheet, Profit and Loss Statement and Cash Flow Statement dealt with this Report comply with the accounting standards referred to in sub-section(3C) of section 211 of Companies Act, 1956;
- (v) On the basis of written representation received from the directors as on **31st March, 2012** and taken on record by the Board of Directors, we report that none of the directors is disqualified as on **31st March, 2012** from appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by The Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a) In the case of the Balance Sheet, of the state of affairs of the Company, as at **31st March, 2012** ;
 - b) In the case of the Profit & Loss Statement, of the Profit for the Year ended on that date
 - c) In the case of the Cash Flow Statement, of the cash flows, for the Year ended on that date.

Place : Ahmedabad
Date : 26th May, 2012

For Parikh & Majmudar
Chartered Accountants

[Dr. Hiten M. Parikh]
PARTNER
M. No. 040230
Firm Reg. No. 107525W

ANNEXURE TO AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

(i) In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- (b) According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner which, in our opinion, is reasonable having regard to the size of the Company and nature of the assets. No material discrepancies were noticed on such verification.
- (c) In our opinion, the Company has not disposed off substantial part of its fixed assets during the year and the going concern status of the Company is not affected.

(ii) In respect of inventories:

- (a) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its business.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of the company we are of the opinion that the company has maintained proper records of inventory. The discrepancies noticed on verification between physical stocks and the book records were not material .

(iii) In respect of loan from/to parties referred to in section 301 of The Companies Act, 1956;

- (a) The Company has taken loan from Six Parties covered in register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 25,38,335/- and the year end balance of loan taken from such parties was ₹ 23,99,383/-.
- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 of The Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- (c) As regards loan taken by the company, terms of the repayment have not been stipulated and hence the question of any overdue amount does not arise.
- (d) The company has not granted Unsecured Loans to any party covered under register maintained u/s 301 of the Companies Act, 1956.

(iv) In our opinion, and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regards to the sale of goods. During the course of audit, no major weakness have been noticed in the internal control.

(v) In respect of particulars of contracts or arrangements referred to in Section 301 of Companies Act, 1956;

- (a) In our opinion and according to the information & explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under section 301 of the Companies Act, 1956
- (b) In our opinion, and according to information and explanation given to us, the transactions of purchase of goods & materials, sales of goods, materials, made in pursuance of contract or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year ₹ 5.00 Lacs or more in respect of such parties have been made at prices which are reasonable having regard to the prevailing market prices for such goods, materials, or the prices at which the transactions for similar goods, materials, have been made with other parties

(vi) In our opinion and according to the information and explanations given to us, the Company has



- compiled with the provisions of section 58A and 58AA or any other relevant provision of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from public.
- (vii) The company has appointed in-house Chartered Accountant as its internal auditor for the year under review. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
 - (viii) The Central Government has prescribed maintenance of cost records under section 209(i)(d) of the companies act, 1956. On the basis of report received from the practicing cost accountant, we are of the opinion that company has prima facie maintained prescribed records and accounts. We have not, however made detailed examination of the same.
 - (ix) a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Value Added Tax, Commercial Tax, Service Tax, Wealth tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. There are no undisputed statutory dues as referred to above as at 31st March 2012 outstanding for a period of more than six months from due date they become payable.
b) The company has no disputed statutory dues that have not been deposited on account of matters pending before appropriate authority.
 - (x) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year.
 - (xi) According to information & explanations given to us, the company has not generally defaulted in repayment of dues to Banks / Financial Institutions.
 - (xii) In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 - (xiii) In our opinion, the Company is not a Chit Fund or a Nidhi/Mutual Benefit fund/Society.
 - (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments.
 - (xv) In our opinion, the terms & conditions on which the company has given guarantee for loans taken by others from Banks or financial institutions are prima facie, not prejudicial to the interest of the company
 - (xvi) In our opinion and according to the Information & explanations given to us the term loans have been broadly applied for the purpose for which they were raised.
 - (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
 - (xviii) The Company has not made any preferential allotment of shares during the year under review.
 - (xix) The Company has not issued any debentures during the year under review.
 - (xx) The Management has disclosed on the end use of money raised by public issue and the same has been verified by us.
 - (xxi) According to the information & explanations given to us, no fraud on or by the company has been noticed or reported during the course of our Audit.

Place : Ahmedabad
Date : 26th May, 2012

For Parikh & Majmudar
Chartered Accountants

[Dr. Hiten M. Parikh]
PARTNER
M. No. 040230
Firm Reg. No. 107525W

**BALANCE SHEET AS AT 31ST MARCH, 2012**

PARTICULARS	NOTE NO	Amount (in ₹)	31-03-2012 (in ₹)	Amount (in ₹)	31-03-2011 (in ₹)
EQUITY AND LIABILITIES					
1 SHAREHOLDER'S FUNDS					
Share Capital	1		144000000		87562500
Reserves and Surplus	2		545691226		167028909
2 NON-CURRENT LIABILITIES					
Long-term borrowings	3		642215869		411611610
Deferred tax liabilities (Net)	4		59430033		53145765
Other Long term liabilities	5		67831042		207151200
Long term provisions	6		3212844		2254241
3 CURRENT LIABILITIES					
Short-term borrowings	7		413924390		341858962
Trade payables	8		389444247		350713248
Other current liabilities	9		67464201		127433104
Short-term provisions	10		11478159		16797064
Total			2344692011		1765556603
ASSETS					
1 NON-CURRENT ASSETS					
FIXED ASSETS	11				
(1) Tangible assets		460428224		434052185	
(2) Intangible assets		479115		781889	
(3) Capital work-in-progress		898477809	1359385148	447894314	882728388
Non-current investments	12		87148		87148
Long term loans and advances	13		44827620		41698307
Other non-current assets	14		6812438		6781166
2 CURRENT ASSETS					
Inventories	15		392519328		386422813
Trade receivables	16		331473655		262929610
Cash and cash equivalents	17		45121372		112080411
Short-term loans and advances	18		164465302		72828760
Total			2344692011		1765556603

Significant Accounting Policies
Notes on Financial Statements
As per our Report of even date

1 to 46

For Parikh & Majmudar
Chartered Accountants

For, and on behalf of the Board

[Dr. Hiten M. Parikh]
PARTNER
M. No. 040230
Firm Reg. No. 107525W

[Ghanshyambhai A.Thakkar]
Chairman

[Krupeshbhai G. Thakkar]
Managing Director

Place : Ahmedabad
Date : 26th May, 2012

[H. K. MODI]
Company Secretary

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

PARTICULARS	NOTE NO	Amount (in ₹)	31-03-2012 (in ₹)	Amount (in ₹)	31-03-2011 (in ₹)
REVENUE FROM OPERATIONS					
Sale of Products		1548169701		1223642237	
Other operating revenues		58310391		61958401	
Gross Revenue from Operations			1606480092		1285600638
Less: Excise duty		74702878		58674232	
Net Revenue from operations	19	1531777214		1226926406	
OTHER INCOME	20	12457493		10941119	
TOTAL REVENUE (I +II)			1544234707		1237867525
EXPENSES:					
Cost of materials consumed	21	966332192		823202430	
Purchase of Stock-in-Trade		11267381		10844239	
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	41864053		-60012250	
Employee benefit expense	23	59521453		49783634	
Manufacturing / Other expenses	24	279126346		261276661	
Financial costs	25	81454900		62241474	
Depreciation and amortization expense		25642854		23798037	
Total Expenses			1465209179		1171134225
Profit before exceptional and extraordinary items and tax (III - IV)		79025528		66733300	
Prior period items		404182		406287	
Profit before extraordinary items and tax (V - VI)		78621346		66327013	
Profit before tax			78621346		66327013
Tax expense:	26				
(1) Current tax		15756466		14800950	
(2) Deferred tax		6284268		6773670	
Profit from the Year from continuing operations(VIII-IX)		56580612		44752393	
Profit for the Year			56580612		44752393
Earning per equity share:					
(1) Basic & diluted			4.37		5.11

Significant Accounting Policies
Notes on Financial Statements
As per our Report of even date

1 to 46

**For Parikh & Majmudar
Chartered Accountants**

For, and on behalf of the Board

[Dr. Hiten M. Parikh]
PARTNER
M. No. 040230
Firm Reg. No. 107525W

[Ghanshyambhai A.Thakkar]
Chairman

[Krupeshbhai G. Thakkar]
Managing Director

Place : Ahmedabad
Date : 26th May, 2012

[H. K. MODI]
Company Secretary

CASH FLOW STATEMENT

PARTICULARS	2011-2012 (in ₹)	2011-2012 (in ₹)	2010-2011 (in ₹)	2010-2011 (in ₹)
(A) Cash Flow From Operating Activities				
Profit before tax		78621345		66327013
Adjustments for				
Depreciation and amortization expense	25642854		23798037	
Interest and Finance cost	81454900		62241474	
Profit on Sale of Fixed Assets	0		(3535)	
Loss on Sale of Fixed Assets	50291		654652	
Preliminary Exp., W/off (deferred, amalgamation)	655090		655090	
Dividend Income	(2400)		-	
Income from Mutual Fund	(146259)		-	
		107654476		87345718
Operating Profit Before Working Capital Changes		186275821		153672731
Adjustment for Change In:				
Inventories	(5113182)		(77571696)	
Receivable	(68544046)		29173104	
Loans & Advances	(95039330)		2782408	
Current liabilities	(100666634)		251384099	
Provisions	3075511	(266287681)	(5021760)	200746155
		(80011860)		354418885
Income Taxes Paid	(22235660)		(15928109)	
Less : Income Tax Refund		(22235660)	4732	(15923377)
Net Cash Generated From Operations		(102247520)		338495508
(B) Cash flow from Investing activities				
Purchase of Fixed Assets	(504035017)		(487368020)	
Proceeds From Sale of Fixed Assets	50000		798552	
Purchase of Investments	-		(4233)	
Dividend Income	2400		-	
Income from Mutual Fund	146259		-	
Net Cash Generated From Investing Activities		(503836358)		(486573701)
(C) Cash Flow From Financing Activities				
New Shares Issued	56437500		-	
Security Premium on Newly Issued Shares	330449726		-	
Secured Loans	296335424		246168430	
Unsecured Loans	(55399612)		60086775	
Interest and Finance cost	(81454900)		(62241474)	
Dividend Paid (Including Tax on Dividend)	(8395830)		(20488750)	
Preliminary Exp.	1152531		(557531)	
Net Cash Generated From Financing Activities		539124839		222967450
Net Increase In Cash & Cash Equivalents		(66959039)		74889257
Cash & Cash Equivalents At The Beginning of The Period		112080411		37191154
Cash & Cash Equivalents At The End of The Period		45121372		112080411



CASH FLOW STATEMENT

PARTICULARS	2011-2012 (in ₹)	2010-2011 (in ₹)
Cash On Hand	2645112	4266871
Balances With The Banks	42476260	107813540
Cash And Cash Equivalents	45121372	112080411

Notes to Cash Flow:-

1. All figures in bracket are outflow.
2. The above Cash Flow Statement has been prepared under the ' Indirect Method' as set out in Accounting Standard 3 on " Cash Flow Statement " issued by The Institute of Chartered Accountant of India.

As per our separate report of even date attached

**For Parikh & Majmudar
Chartered Accountants**

For, and on behalf of the Board

**[Dr. Hiten M. Parikh]
PARTNER
M. No. 040230
Firm Reg. No. 107525W**

**[Ghanshyambhai A.Thakkar]
Chairman**

**[Krupeshbhai G. Thakkar]
Managing Director**

**Place : Ahmedabad
Date : 26th May, 2012**

**[H. K. MODI]
Company Secretary**

SIGNIFICANT ACCOUNTING POLICIES**A. SIGNIFICANT ACCOUNTING POLICIES :****(a) Method of Accounting :**

The Financial Statements are prepared as per historical cost convention and in accordance with the Generally Accepted Accounting Principles in India, the provisions of the Companies Act 1956 , and the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006. All Income and Expenditures having material bearing on the Financial Statements are recognized on accrual basis.

(b) Use of Estimates :

The preparation of the financial statements in conformity with GAPP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

(c) Revenue Recognition

Sales are stated inclusive of rebate and trade discount and excluding Central Sales Tax, State Value Added Tax. With regard to sale of products, income is reported when practically all risks and rights connected with the ownership have been transferred to the buyers. This usually occurs upon dispatch, after the price has been determined.

Export Benefits are accounted on accrual basis.

(d) Fixed Asset :

(i) Tangible Fixed Assets acquired by the Company are reported at acquisition value, with deductions for accumulated depreciation [other than “freehold land” where no depreciation is charged] and impairment losses, if any. The acquisition value includes the purchase price (excluding refundable taxes), and expenses directly attributable to assets to bring it to the factory and in the working condition for its intended use. Where the construction or development of any such asset requiring a substantial period of time to set up for its intended use, is funded by borrowings if any, the corresponding borrowing cost are capitalized up to the date when the asset is ready for its intended use.

(ii) Intangible Fixed assets are stated at cost of acquisition or developed.

(iii) All indirect expenses incurred during project implementation and on trial run are treated as incidental expenditure during construction and capitalized.

(iv) Capital Work in Progress are stated at Cost.

(e) Impairment of Assets :

The Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset’s net selling price and value in use, which means the present value of future cash flows

SIGNIFICANT ACCOUNTING POLICIES

expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset other than goodwill is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss recognized. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment losses been recognized for the asset in prior years.

(f) Depreciation and Amortisation :

- a) Depreciation on fixed assets is provided on SLM method under Section 205 (2) (b) of the Companies Act, 1956 at the rate and in the manner prescribed in schedule XIV of the said Act.
- b) Computer Software costs are amortized using the Straight Line Method over estimated useful life of 5 years, as estimated at the time of capitalization.
 - (i) Depreciation on additions/disposals during the period is provided on prorata basis according to the period during which assets are put to use/ being used.
 - (ii) No Depreciation has been provided in respect of Capital Work in Progress.

(g) Investments :

Investments are classified as Long Term & Current Investments. Long Term Investments are :

- Valued at cost less provision for diminution other than temporary, in value, if any.
- Current Investments are valued at cost or fair value whichever is lower.

(h) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows.. The Cash flows from operating, investing and financing activities of the Group are segregated.

Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks.

(i) Foreign Currency Transactions

Transactions in the foreign currency which are covered by forward contracts are accounted for at the contracted rate; the difference between the forward rate and the exchange rate at the date of transaction is recognized in the profit & loss account over the life of the contract. Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

SIGNIFICANT ACCOUNTING POLICIES

(j) Valuation of Inventories

- i) Raw materials are valued at cost or net realizable value whichever is lower.
- ii) Work in progress has been valued at cost of materials and labour charges together with relevant factory overheads.
- iii) Finished Goods are valued at cost or net realizable value whichever is lower.
- iv) Stores & Fuel are valued at cost or net realizable value whichever is lower.

(k) Employee Benefit:

i. Short Term

Short Term employee benefits are recognized as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the company.

ii. Long Term

The Company has both defined contribution and defined benefit plans. These plans are financed by the Company in the case of defined contribution plans.

iii. Defined Contribution Plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to Employees Provident Fund. The Company's payments to the defined contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

iv. Defined Benefit Plans

Expenses for defined benefit gratuity payment plans are calculated as at the balance sheet date by independent actuaries in the manner that distributes expenses over the employees working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discounted rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on Government Bonds with a remaining term i.e. almost equivalent to the average balance working period of employees.

v. Other Employee Benefit

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid.

(l) Earning per Share :

Basic earning per share is calculated by dividing the net profit after tax for the year attributable to Equity Shareholders of the Company by the weighted average number of Equity Shares in issue during the year. Diluted earning per Share is calculated by dividing net profit attributable to equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year.

SIGNIFICANT ACCOUNTING POLICIES

(m) Taxation

Income –tax expense comprises of current tax, and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets arising mainly on account of brought forward business losses, capital losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each balance sheet date, the carrying amount of deferred tax assets is reviewed to reassure realization.

(n) Provisions & Contingencies

A provision is recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding long term benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the Financial Statements. A contingent asset is neither recognized nor disclosed.

(o) Borrowing Cost

Borrowing costs are recognized in the period to which they relate, regardless of how the funds have been utilized, except where it relates to the financing of construction or development of assets requiring a substantial period of time to prepare for their intended future use. Interest on borrowings if any is capitalized up to the date when the asset is ready for its intended use. The amount of interest capitalized for the period is determined by applying the interest rate applicable to appropriate borrowings

(p) Proposed Dividend & Corporate Dividend Tax

Dividend proposed by the Board of Directors along with corporate dividend tax is provided in the books of accounts. Approval in the General Meeting is pending for the same.

(q) Miscellaneous Expenditure :

Preliminary expense are amortised over a period of five years.

(r) Provisions, Contingent Liabilities and Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

PARTICULARS	Amount (in ₹)	31-03-2012 (in ₹)	Amount (in ₹)	31-03-2011 (in ₹)
NOTE NO : 1 SHARE CAPITAL :				
Authorised :				
20000000 (p.y 20000000) Equity Shares of Rs. 10/- each		200000000		200000000
		<u>200000000</u>		<u>200000000</u>
Issued, Subscribed and Paid up :				
14400000 (P.Y 8756250) Equity Shares of Rs. 10/- each fully paid up		144000000		87562500
Note : Includes 5991250 (P.Y 5992150) Equity shares issued for consideration other than cash as bonus shares during F.Y 2006-07				
		<u>144000000</u>		<u>87562500</u>
(1) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year	In numbers	31-03-2012 (in ₹)	In numbers	31-03-2011 (in ₹)
At the beginning of period	8756250	87562500	8756250	87562500
Issued vide Initial Public Offer	5643750	56437500	-	-
Outstanding at the end of year	14400000	144000000	8756250	87562500
2) Details of shares held by each shareholder holding more than 5% shares:	As at 31-03-2012	As at 31-03-2012	As at 31-03-2011	As at 31-03-2011
	Numbers of Shares held	% holding in the class of shares	Numbers of Shares held	% holding in the class of shares
Equity shares with voting rights				
Ghanshyambhai Ambalal Thakkar	2004113	13.92	1915089	21.87
Krupesh Ghanshyambhai Thakkar and Ghanshyambhai Ambalal Thakkar Repre. Rushil International (Partnership Firm)	1845770	12.82	1845770	21.08
Krupesh Ghanshyambhai Thakkar	1533567	10.65	1376817	15.72
Krupesh G. Thakkar Karta of Krupesh Ghanshyambhai Thakkar (HUF)	1389693	9.65	1389693	15.87

	Amount (in ₹)	31-03-2012 (in ₹)	Amount (in ₹)	31-03-2011 (in ₹)
NOTE NO : 2				
Reserves and Surplus :				
Securities Premium Account				
Opening Balance	76000000		76000000	
Add : Addition during the year	349912500		-	
	425912500		76000000	
Less : Expense in connection with issue of equity shares written off (refer note no. 28)	19462774	406449726	-	76000000
Amalgamation Reserve		3300000		3300000
Capital Redemption Reserve		50000		50000
General Reserve				
Opening Balance	6087500		6087500	
Add : Transfer from Profit & Loss Account	-	6087500	-	6087500
Profit & Loss Account				
Balance Brought Forward From Previous Year	81591409		45234846	
Add: Profit for the year	56580612		44752393	
Proposed Final Dividend on equity share (amount per share ₹ 0.50 (31st March, 2011 ₹ 0.50))	7200000		7200000	
Tax on proposed Equity Dividend	1168020	129804000	1195830	81591409
		<u>545691226</u>		<u>167028909</u>

	Amount (in ₹)	31-03-2012 (in ₹)	Amount (in ₹)	31-03-2011 (in ₹)
NOTE NO : 3				
Long-term borrowings :				
(a) Term Loan (refer note 1 below)				
From Banks				
I. Bank of Baroda (refer note i below)				
(a) Term Loan A/c no 01500600020468		5000000		700000
(b) Term loan A/c no 01500600020467		156808976		145458423
(c) Term loan-iii External Commercial Borrowing (USD 63,00,000) (Note :i)		322285950		114469097
(d) Term loan A/c no 01500600020603		17474239		-
II. Allahabad Bank A/c no 50069950994 & 50004433096 (refer note ii below)		48247111		55780000
(b) Loans and advances from related parties From Director and related parties		3334155		1575041
(c) From Others				
Motor Car Loans (refer note iii below)		6056181		7829929
Personal Guarantee Loans (refer note iv below)		5689000		4517000
Loan from Financial Institution		11036264		11513714
Public deposit		16283993		63468406
Inter corporate loans		50000000		0
		<u>642215869</u>		<u>411611610</u>

Note:i
Term loan from Bank of Baroda

Secured by way of hypothecation of raw material, stocks, book debt, movable assets of the company (except financed by allahabad bank) and also secured by way of equatable mortgage of a) land and building and plant and machinery of the company b) office premises situated at plot no 1 & 2 krinkal apartment, paldi, ahmedabad belonging to the company c) residential bungalow situated 4, pushpa dhanwa owners association, vastrapur, ahmedabad belonging to Ghanshyambhai Thakkar d) joint plot situated at lati bazar, ahmedabad in the name of Ghanshyam Thakkar and Saraswati Thakkar e) fixed deposit of ₹ 0.73 crore in lieu of two immovable property at S.G.Road, & Dahisar, Mumbai f) fixed deposit of ₹ 0.20 crore in lieu of release of Mr. Dilip Jain and also secured by way of personal guarantee of Ghanshyam Thakkar, Krupesh Thakkar and Saraswatiben N. Thakkar

Term of Repayment

Particulars	Repayment Schedule
Term loan A/C NO. 01500600020468	20 quarterly installments of ₹. 5.00 lacs plus interest
Term loan A/C NO. 01500600020467	24 quarterly installments (23 installments of ₹ 0.65 Crs plus interest and last installment of ₹ 0.73 Crs) Interest will be charged as and when due (including moratorium period of 15 months from the date of first disbursement)
ECB TERMLOAN	24 quarterly installments (23 installments of USD 262500 plus interest) The repayment to start from April,2013
Term loan A/C NO. 01500600020603	Term loan is to be repaid in 60 monthly installments after completion of moratorium period of 12 months from the date of first disbursement. The term loan is to be repaid by 59 equal monthly installments each of ₹ 3.34 lacs and last installment of ₹ 2.94 lacs. The monthly interest charged in the account, during the moratorium and repayment period, will be serviced separately.

Note:ii
Term loan from Allahabad Bank

Secured by way of hypothecation of entire current assets and plant and machineries and other fixed assets to be created out of bank finance of the company's unit at Navalgadh, secured by way 2nd charge on entire fixed assets of the company financed by Bank of Baroda and also secured by way of equitable mortgage of land and building, plant and machinery situated at Navalgadh and also secured by way of pledge of FDR of ₹ 30.00 lacs in the name of Ghanshyam Thakkar and also secured by way of personal guarantee of Krupeshbhai G. Thakkar and Ghanshyambhai A. Thakkar.

Term of Repayment

Particulars	Repayment Schedule
Term loan A/C No.50069950994	20 quarterly installments of ₹ 55.55 lacs each . Interest will be served as and when due.
Term loan A/C No.50004433096	20 quarterly installments of ₹ 10.00 lacs each starting after 12 months from the date of first disbursement. Interest shall be serviced as and when due, even during moratorium period.

Note :iii Secured by lien on vehicle purchased under hire purchase agreements.

Note :iv Secured against pledge of Life Insurance policies of directors.

	Amount (in ₹)	31-03-2012 (in ₹)	Amount (in ₹)	31-03-2011 (in ₹)
NOTE NO : 4				
Deferred tax liabilities (Net) :		59430033		53145765
		<u>59430033</u>		<u>53145765</u>

	Amount (in ₹)	31-03-2012 (in ₹)	Amount (in ₹)	31-03-2011 (in ₹)
NOTE NO : 5				
Other Long term liabilities :				
(a) Trade Deposit		26248226		22948353
(b) Others		41582816		184202847
Creditors for capital goods		<u>67831042</u>		<u>207151200</u>

	Amount (in ₹)	31-03-2012 (in ₹)	Amount (in ₹)	31-03-2011 (in ₹)
NOTE NO : 6				
Long term provisions :				
(a) Provision for Gratuity		3212844		2254241
		<u>3212844</u>		<u>2254241</u>

	Amount (in ₹)	31-03-2012 (in ₹)	Amount (in ₹)	31-03-2011 (in ₹)
NOTE NO : 7				
Short-term borrowings :				
(a) Loans repayable on demand				
Working Capital From Banks				
Bank of Baroda - Cash Credit Loans (refer note.i)		136454802		146585967
Bank of Baroda - Packing Credit (refer note no.i)		204355983		156500000
Bank of Baroda - Foreign Bills Purchase (refer note.i)		36636985		18848025
Allahabad Bank - Cash Credit Loans (refer note.ii)		35582566		18788066
Bank of Baroda Export A/c-602		894054		1136904
		<u>413924390</u>		<u>341858962</u>

Note: 1
Working Capital facility from Bank of Baroda

Secured by way of hypothecation of raw material, stocks, book debt, movable assets of the company (except financed by allahabad bank) and also secured by way of equatable mortgage of a) land and building and plant and machinery of the company b) office premises situated at plot no 1 & 2 krinkal apartment, paldi, ahmedabad belonging to the company c) residential bungalow situated 4, pushpa dhanwa owners association, vastrapur, ahmedabad belonging to Ghanshyambhai Thakkar d) joint plot situated at lati bazar, ahmedabad in the name of Ghanshyam Thakkar and Saraswati Thakkar e) fixed deposit of ₹ 0.73 crore in lieu of two immovable property at S.G.Road, & Dahisar, Mumbai f) fixed deposit of ₹ 0.20 crore and also secured by way of personal guarantee of Ghanshyam Thakkar, Krupesh Thakkar and Saraswati N. Thakkar

Note:2
Working Capital facility from Allahabad Bank

Secured by way of hypothecation of entire current assets and plant and machineries and other fixed assets to be created out of bank finance of the company's unit at Navalgadh, secured by way 2nd charge on entire fixed assets of the company financed by Bank of Baroda and also secured by way of equitable mortgage of land and building, plant and machinery situated at Navalgadh and also secured by way of pledge of FDR of ₹ 30.00 lacs in the name of Ghanshyam Thakkar and also secured by way of personal guarantee of Krupeshbhai G. Thakkar and Ghanshyambhai A. Thakkar.

	Amount (in ₹)	31-03-2012 (in ₹)	Amount (in ₹)	31-03-2011 (in ₹)
NOTE NO : 8				
Trade payables : (refer note 40)		389444247		350713248
		<u>389444247</u>		<u>350713248</u>
NOTE NO : 9				
Other Current Liabilities :				
(a) Current maturities of long-term debt;		52825054		118101652
(b) Interest accrued and due on borrowings;		880939		598483
(c) Other payables				
Advance from customers		8761083		3235109
Duties and taxes		2210597		4271323
Provision for expenses		2786528		1226537
		<u>67464201</u>		<u>127433104</u>
NOTE NO : 10				
Short Term Provisions:				
Provision for Income tax (Net of Advance Tax & TDS)		1702635		7261580
Provision for Wealth Tax		12229		18840
Provision for Dividend		7200000		7200000
Tax on Proposed Dividend		1168020		1195830
Provision for employee benefits		1395275		1120814
		<u>11478159</u>		<u>16797064</u>
NOTE NO : 11				
Fixed assets :				
(i) Tangible assets		460428224		434052185
(ii) Intangible assets		479115		781889
(iii) Capital work-in-progress		898477809		447894314
		<u>1359385148</u>		<u>882728388</u>

RUSHIL DECOR LTD.
NOTE No.: 11
FIXED ASSETS (Amount in ₹)

Sr. No.	Assets	Gross Block						Depreciation				Net Block	
		Balance as on 01-04-2011	Addition during the year	Deduction during the year	Transfer written off during the year	Closing Balance as on 31-03-2012	Balance on 01-04-2011	Addition during the year	Deduction during the year	Transfer written off during the year	Closing Balance as on 31-03-2012	As on 31-03-2012	As on 31-03-2011
1	Land	10258823	-	-	-	10258823	-	-	-	-	-	10258823	10258823
2	Leasehold Land	11201443	1516723	-	-	12718166	-	-	-	-	-	12718166	11201443
3	Building	93926746	11599555	-	-	105526302	11373608	3307993	-	14681601	90844701	82553138	82553138
4	Plant & Machinery	386626781	37578415	-	-	424205195	78526385	19108043	-	97634428	326570767	308100396	308100396
5	Computer & Accessories	4001334	372553	-	-	4373887	3471181	501172	-	3972353	401534	530153	530153
6	Vehicles	21547269	642286	250000	-	219339555	4078317	2065735	79709	6064343	15875212	17468952	17468952
7	Furniture & Fixture	5420430	168478	-	-	5588908	1481150	348737	-	1829887	3759021	3939280	3939280
8	Intangible Asset	781889	8400	-	311174	479115	0	0	-	-	479115	781889	781889
	Total-A	533764715	51886410	250000	311174	585089951	98930641	25331680	79709	124182612	460907339	434834074	434834074
	Capital Work In Progress and Pre-operative Expenses	447894314	450583495	-	-	898477809	-	-	-	-	898477809	447894314	447894314
	Total- B	447894314	450583495	-	-	898477809	-	-	-	-	898477809	447894314	447894314
	Total A+ B	981659029	502469905	250000	311174	1483567760	98930641	25331680	79709	124182612	1359385148	882728388	882728388
	Previous Year's Total	500028852	487368020	2567202	309493	984520178	76559630	23488544	1117533	98930641	882728388	423469222	423469222

	Amount (in ₹)	31-03-2012 (in ₹)	Amount (in ₹)	31-03-2011 (in ₹)
NOTE NO : 12				
Non-current investments :				
(a) Investment in equity instruments Shares of AMCO Ltd		20000		20000
(b) Investment in government securities or trust securities National savings certificate		10000		10000
(c) Other non current instruments FDR For Methanol (KVB)		57148		57148
		<u>87148</u>		<u>87148</u>

	Amount (in ₹)	31-03-2012 (in ₹)	Amount (in ₹)	31-03-2011 (in ₹)
NOTE NO : 13				
Long Term Loan and Advances :				
(a) Advance for Capital goods		24773322		30909476
(b) Security Deposit Unsecured,considered goods		18560521		9295054
(c) Other Loan and advances Unsecured,considered goods		1493777		1493777
		<u>44827620</u>		<u>41698307</u>

	Amount (in ₹)	31-03-2012 (in ₹)	Amount (in ₹)	31-03-2011 (in ₹)
NOTE NO : 14				
Other non-current assets :				
(a) Long term trade receivables				
(i) Due from non-executive director Due from officers		- 924295		- 650818
(b) Others				
Plantation		4426565		2861149
Miscellaneous expenditure to the extent not written off or adjusted		1461578		3269199
		<u>6812438</u>		<u>6781166</u>

	Amount (in ₹)	31-03-2012 (in ₹)	Amount (in ₹)	31-03-2011 (in ₹)
NOTE NO : 15				
Inventories :(valued at lower of cost or net realizable value)				
(a) Raw Materials		171879822		124674062
(b) Work in progress		39914467		47764302
(c) Finished goods [(includes stock lying with third parties Rs.7,74,05,091/- (c.y.) and Rs.8,88,76,328/- (p.y.)]		172026887		206041105
(d) Stores and spares		8312948		7943344
(e) Others Power & Fuel		385204		0
		392519328		386422813

	Amount (in ₹)	31-03-2012 (in ₹)	Amount (in ₹)	31-03-2011 (in ₹)
NOTE NO : 16				
Trade receivables :				
(i) Trade Receivable outstanding for a period exceeding six months Unsecured, considered good		17931916		18658651
(ii) Other receivable Unsecured, considered good		313541739		244270959
TOTAL		331473655		262929610

	Amount (in ₹)	31-03-2012 (in ₹)	Amount (in ₹)	31-03-2011 (in ₹)
NOTE NO : 17				
Cash and cash equivalents				
(a) Balances with banks On current Account		5601604		32178394
In Fixed Deposit Account / Margin money account		36874656		75635146
(b) Cash on hand		2645112		4266871
		45121372		112080411

	Amount (in ₹)	31-03-2012 (in ₹)	Amount (in ₹)	31-03-2011 (in ₹)
NOTE NO : 18				
Short-term loans and advances :				
(a) Other Loan and advances				
Balance with Excise, Custom & Service				
Tax Department		31322608		13538149
Advance Income Tax & TDS		1791910		2391058
Licence & Licence Receivables		28080363		30021942
Advance to Suppliers		10847076		7838401
Prepaid Expenses		1716419		382533
Inter corporate deposit		69821590		0
Other Advances		20885336		18656677
		<u>164465302</u>		<u>72828760</u>

	Amount (in ₹)	31-03-2012 (in ₹)	Amount (in ₹)	31-03-2011 (in ₹)
NOTE NO : 19				
I. Revenue from operations				
<u>A.Sale of Products</u>				
Direct Export Turnover		731377334		452033601
Deemed Export Turnover		57265771		205904800
Domestic Turnover		759526596		565703836
Total Turnover (including Excise)		1548169701		1223642237
Less : Excise Duty		74702878		58674232
Turnover from sale of products (net of excise)		1473466823		1164968005
<u>B.Other Revenue from operations</u>		58310391		61958401
Net Revenue from operations		<u>1531777214</u>		<u>1226926406</u>

Details of product sold (net)	31-03-2012 (in ₹)	31-03-2011 (in ₹)
- Decorative laminate sheet	1267270712	1024574357
- Particle Board	194344517	129482400
- Trading	11851594	10911248
Total	<u>1473466823</u>	<u>1164968005</u>

Other operating revenue as under	31-03-2012 (in ₹)	31-03-2011 (in ₹)
- Licence due income	47177996	25340127
- Insurance claim received	983333	29700
- Export incentive	10149062	36588574
Total	<u>58310391</u>	<u>61958401</u>

	Amount (in ₹)	31-03-2012 (in ₹)	Amount (in ₹)	31-03-2011 (in ₹)
NOTE NO : 20				
<u>Other Income :</u>				
Dividend		2400		3900
Income From Mutual Fund		146259		-
Foreign Exchange Gain		-		6473363
Interest Income (TDS Rs 9,41,602 and P.Y. Rs 3,79,943)		10488834		4463856
LIC Maturity Income		1820000		-
		<u>12457493</u>		<u>10941119</u>

	Amount (in ₹)	31-03-2012 (in ₹)	Amount (in ₹)	31-03-2011 (in ₹)
NOTE NO : 21				
<u>Cost of Material:</u>				
<u>Raw Material Consumed:</u>				
Opening Stock of Raw Material	124674062		108417911	
Add : Purchases (Net of Excise, Discount Rate Diff.)	929913141		782061882	
Freight, Octroi, and Clearing & Forwarding	39195926		22240028	
C.V.D., Other Duty & Licence Use	44428885		35156671	
	<u>1138212014</u>		<u>947876492</u>	
Less : Closing Stock of Raw Material	171879822	<u>966332192</u>	124674062	<u>823202430</u>

Details of Raw Material and its components	31-03-2012 (in ₹)	31-03-2011 (in ₹)
BASE PAPER	239369545	207133536
KRAFT PAPER	228955909	221409309
PHENOL	149296899	135352385
METHANOL	28106358	15672503
FORMALDEHYDE	58832368	33482381
MELAMINE	67848961	57247383
UF RESIN	58298406	31699936
MALESIYAN PINE	17325890	9186643
COTTON STALK	4034626	4914609
FIRE WOOD WASTE	1782696	3717257
OTHERS	112480532	103386488
Total	<u>966332192</u>	<u>823202430</u>

	Amount (in ₹)	31-03-2012 (in ₹)	Amount (in ₹)	31-03-2011 (in ₹)
NOTE NO : 22				
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade				
Opening Stock				
Finished Goods	206041105		153692504	
Stock-in-Progress	47764302		40100653	
	<u>253805407</u>		<u>193793157</u>	
Less : Closing Stock				
Finished Goods	172026887		206041105	
Stock-in-Progress	39914467		47764302	
	<u>211941354</u>		<u>253805407</u>	
Increase/Decrease in Stock of Finished Goods & Stock-in-Progress		<u>41864053</u>		<u>-60012250</u>

Details of Finished Goods	31-03-2012 (in ₹)	31-03-2011 (in ₹)
- Decorative laminate sheet	157397024	188207383
- Particle Board	14629863	17833722
Total	<u>172026887</u>	<u>206041105</u>

	Amount (in ₹)	31-03-2012 (in ₹)	Amount (in ₹)	31-03-2011 (in ₹)
NOTE NO : 23				
<u>Employee benefit expense</u>				
Salary & Bonus		57785456		48424516
Contribution to Provident Fund etc.		1735997		1359118
		<u>59521453</u>		<u>49783634</u>

	Amount (in ₹)	31-03-2012 (in ₹)	Amount (in ₹)	31-03-2011 (in ₹)
NOTE NO : 24				
<u>Manufacturing /Other expenses</u>				
<u>Stores & Spares Consumed :</u>				
Opening Stock	7943344		6640049	
Add : Purchases	19492389		19416611	
	<u>27435733</u>		<u>26056660</u>	
Less: Closing Stock	8312948	19122785	7943344	18113316
Commission on Imports		1144542		1013605
Commission on Local Purchase		0		75500
Central Excise Duty (incl. Edu.Cess)		473756		857748
Jobwork Charges		9025144		10029080
<u>Power & Fuel Consumed :</u>				
Opening Stock	0		0	
Add : Purchases	70500639		69267632	
	<u>70500639</u>		<u>69267632</u>	
Less: Closing Stock	385204	70115435	0	69267632
<u>Repairing & Maintenance :</u>				
Machinery	3252102		2667911	
Building	330894		692176	
Other	155125	3738121	254094	3614181
Wages		25636305		23833236
Transport Expenses		654263		1628636
Factory Expenses		4145751		4074930
Advertisement Expenses		905760		1392260
Audit Fees		375000		300000
Bad Debts		290876		-
Sales Commision		35163300		21561580
Computer Maintenance Expenses		563314		521005
Donation		1398906		205785
General/ Miscellaneous Expenses		2972245		2926619
Insurance Expenses		2188757		1849769
Legal & Professional Charges		5594573		5509214
Loss on Sale of Fixed Assets		50291		654652
Postage and Telephone Expenses		2109057		2092834
Preliminary Expenses Written Off		655090		655090
Printing and Stationary Expenses		1250964		1474920
Rent,Rate and Taxes		1150605		494660
ROC Filing Charges		10804		10670
Selling Expenses		80115764		79014811
Travelling Expenses, Conveyance and Vehicle Expenses		10274938		10103658
		<u>279126346</u>		<u>261276661</u>

	Amount (in ₹)	31-03-2012 (in ₹)	Amount (in ₹)	31-03-2011 (in ₹)
NOTE NO : 25				
Financial costs				
Bank Interest		59645025		43805485
Interest to Depositors		3713328		3543052
Interest to Financial Institutions		8330881		8301738
Other Financial Charges		7430955		6591199
Foreign Exchange Fluctation		2334711		0
		<u>81454900</u>		<u>62241474</u>

	Amount (in ₹)	31-03-2012 (in ₹)	Amount (in ₹)	31-03-2011 (in ₹)
NOTE NO : 26				
<u>Provision For Taxation :</u>				
Current Tax		15744237		13219305
Wealth Tax		12229		18840
Short/(Excess) Provision Of Earlier Years		-		1562805
sub total of current tax		15756466		14800950
Deferred Tax		6284268		6773670
Total Tax provision		<u>22040734</u>		<u>21574620</u>

NOTES FORMING PART OF ACCOUNTS
27. Capital Commitments and Contingent Liabilities:
a) Contingent liabilities :

- (i) Corporate Guarantee of ₹ 2,00,55,357 (P.Y ₹ 6,00,00,000/-) Given by company for loan taken by Vertex Laminates Pvt Ltd
- (ii) Outstanding Letter of Credit ₹ 1,67,59,603/- (Previous Year ₹ 2,03,00,014 /-)
- (iii) Custom Duty of ₹ 7.70 lakh (₹ 3.85 lakh each for Unit MRPL and Unit RHPL) demanded by the Central Excise and Customs Authority being disputed by the company, has not been accounted for. The company has deposited ₹ 4.08 lakh (₹ 2.04 lakh each for Unit MRPL and Unit RHPL) under protest till the date of our audit and the same has been clubbed under the head Loans & Advances.

b) Commitments:

- (i) Estimated account of contracts remaining to be executed on capital account and not provided for net of advances, ₹ 54,89,869/- (previous year ₹ 2,38,64,322/-)

28. During the year the Company has come out with its Initial Public Offering (IPO) Comprising of 56,43,750 Equity shares of ₹ 10/-each as at a premium of ₹ 62/- per share aggregating to ₹ 5,64,37,500/-. The Security premium of ₹ 62/- per share amounting to ₹ 34,99,12,500/- has been credited to Security Premium account. The expenses in connection with issue of Equity Shares amounting to ₹ 1,94,62,774 /- has been adjusted against Securities Premium account. The Funds raised through Initial Public Offering have been utilized as under:

Particulars	Amount to be utilized as per prospectus (₹ in lacs)	Amount utilized upto 31 st March, 2012 (₹ in lacs)	Balance to be Utilized (₹ in lacs)
For New Project	2536.89	2536.89	0.00
Margin of Working Capital Requirement	336.84	0.00	336.84
Public Issue Expenses	230.48	216.57	13.91
General Corporate Purpose	959.29	959.29	0.00
Total	4063.50	3712.75	350.75

29 Financial and derivative instruments

Derivative Contract entered into by the company and outstanding as at March 31, 2012

(a) For hedging currency

Particular	As at March 31-2012 (in ₹)
Outstanding Forward Contract	2,51,51,000

- (b) The Company uses forward contracts to hedge its risk associated with foreign currency fluctuation. The Company does not use forward contracts for speculative purposes.

NOTES FORMING PART OF ACCOUNTS

- (c) The year end foreign currency exposure that have not been hedged by any derivative instruments or otherwise are as under

Particular	Amount receivable in Foreign Currency	Amount Payable in Foreign Currency
Foreign Currency (in Millions)		
31-03-2012	1.500419 USD	3.597858 USD 0.203966 Euro 11.341519 JPY
Indian Currency (in lacs)		
31-03-2012	₹ 767.56196	₹ 2050.73431

30. The Previous year's figures have been regrouped reworked, rearranged and reclassified wherever necessary to make them comparable with current year figures.

31. **Auditors Remuneration :**

Particular	2011-2012 (in ₹)	2010-2011 (in ₹)
As an Auditor	4,13,625	3,30,900
For Taxation & Other matters	—	5,40,470
Total	4,13,625	8,71,370
Less: Service Tax Credit taken/to be taken	38,625	81,370
Total	3,75,000	7,90,000

32. Balances of Trade Receivables ,Trade Payables ,Unsecured loans and Loans and Advances are subject to Confirmation from Respective parties.

NOTES FORMING PART OF ACCOUNTS
33. Segment Reporting:
Primary

The primary segment of the Company, comprising of 'Decorative, Laminates' and 'Particle Board'.

Segment wise Revenue, Results and capital employed

Primary business segments – Revenue by nature of products:

Details	Sq. Mtr.	Nos.	Amount (in ₹)
Decorative Laminated Sheets	N.A.	2717264	1267270712(*)
Particle Board	1261410.070	423747	194344517
Total	1261410.070	3141011	1461615229

(*) Net of trading Sales of ₹ 1,18,51,594/- (Previous year ₹ 1,09,11,247/-)
Revenue by geographical regions

(i) Decorative Laminated Sheets

Details	Decorative Laminated Sheets	
	Nos.	Amount (in ₹)
India	1194200	546325787 (*)
Outside India	1523064	720944925
Total	2717264	1267270712

(*) Net of Trading sales of ₹ 1,18,51,594/- (Previous year ₹ 1,09,11,247 /-)

(ii) Plain Particle Board

Details	Plain Particle Board		
	Sq. Mtr.	Nos.	Amount (in ₹)
India	1261410.070	423747	194344517
Outside India	0	0	0
Total	1261410.070	423747	194344517

NOTES FORMING PART OF ACCOUNTS
Segmentwise Revenue, Results and Capital Employed

Particulars	Year ended on 31-03-2012	Year ended on 31-03-2011
1 Segment Revenue		
a Laminates & allied products	1284505804	1074377168
b Particle Board	194934457	129484477
Total	1479440261	1203861645
Less: Inter segment revenue	5973438	38893640
Sales	1473466823	1164968005
2 Segment Results		
Profit before Interest and Tax:		
a Laminates & allied products	148847058	127969362
b Particle Board	28561410	14503291
Total	177408468	142472653
Less:		
i Interest	81454900	62241474
ii Other Unallocable expenditure	17332222	13904166
Add:		
Total Profit Before Tax	78621346	66327013
3 Capital employed		
a Laminates	284797331	523116554
b Particle Board	204373733	261503553
c Unallocated	971748372	413231541
Total	1460919436	1197851648

NOTES FORMING PART OF ACCOUNTS
34. Related Party transaction:

(a) Names of related parties and description of relationship:

Sr. No	Nature of Relationship	Name of Related Parties
1	Associate Companies/Enterprise	Rushil International Vertex Laminate Pvt. Ltd. Decoply Agency Shri Krupa Decorative Veneer Pvt. Ltd. Shri Krupa Eco Products Pvt. Ltd. Ghanshyam Sales Agency
2	Key Management Person	Ghanshyambhai A. Thakkar Krupeshbhai G. Thakkar Krupaben K Thakkar Keyurbhai Gajjar
3	Relative of key management person	Ghanshyambhai A. Thakkar HUF Krupeshbhai G. Thakkar HUF Saraswatiben N. Thakkar Dinuben G. Thakkar Rushil K. Thakkar

NOTES FORMING PART OF ACCOUNTS

Nature of Transaction	Associate Companies/Enterprises		Key Management Personnel & Relatives of such Personnel		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
(A) Volume of Transactions						
1) Sales of Goods						
Rushil International	0	6918857	0	0	0	6918857
Vertex Laminate Pvt. Ltd.	0	1407980	0	0	0	1407980
Shree Krupa Decorative Veneer Pvt. Ltd.	107370	579050	0	0	107370	579050
2) Goods Purchased						
Rushil International	0	0	0	0	0	0
Vertex Laminate Pvt. Ltd.	16954708	0	0	0	16954708	0
Shree Krupa Decorative Veneer Pvt. Ltd.	0	0	0	0	0	0
2) Capital Goods Purchased						
Decoply Agency	24283	46617	0	0	24283	46617
Rushil International	0	191511	0	0	0	191511
3) Loan Taken/Granted						
iii) Ghanshyambhai Thakkar						
- HUF						
Loan taken	0	0	300000	68410	300000	68410
Loan repaid	0	0	182000	0	182000	0
Balance at 31st March	0	0	197843	68410	197843	68410
Balance at 1st April	0	0	68410	0	68410	0
iv) Krupeshbhai G. Thakkar						
- HUF						
Loan taken	0	0	235000	100000	235000	100000
Loan repaid	0	0	227500	100000	227500	100000
Balance at 31st March	0	0	12000	0	12000	0
Balance at 1st April	0	0	0	0	0	0
v) Saraswatiben Thakkar						
Loan taken	0	0	300000	235140	300000	235140
Loan repaid	0	0	100000	70000	100000	70000
Balance at 31st March	0	0	389563	165140	389563	165140
Balance at 1st April	0	0	165140	0	165140	0
vi) Smt.Dinuben G. Thakka						
Loan taken	0	0	2790000	5282960	2790000	5282960
Loan repaid	0	0	2927870	15142500	2927870	15142500
Balance at 31st March	0	0	52925	140460	52925	140460
Balance at 1st April	0	0	140460	10000000	140460	10000000
vii) Krupaben K. Thakkar						
Loan taken	0	0	3175822	11514346	3175822	11514346
Loan repaid	0	0	3766217	10649545	3766217	10649545

NOTES FORMING PART OF ACCOUNTS

Nature of Transaction	Associate Companies/Enterprises		Key Management Personnel & Relatives of such Personnel		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Balance at 31st March	0	0	323616	864801	323616	864801
Balance at 1st April	0	0	864801	0	864801	0
viii) Rushil K. Thakkar						
Loan taken	0	0	135000	100500	135000	100500
Loan repaid	0	0	194121	0	194121	0
Balance at 31st March	0	0	53007	100500	53007	100500
Balance at 1st April	0	0	100500	0	100500	0
xii) Krupeshbhai G Thakkar						
Loan taken	0	0	1628811	39826795	1628811	39826795
Loan repaid	0	0	34368239	12031600	34368239	12031600
Balance at 31st March	0	0	208214	32858046	208214	32858046
Balance at 1st April	0	0	32858046	5062851	32858046	5062851
xiii) Ghanshyambhai A Thakkar						
Loan taken	0	0	2264711	114240427	2264711	114240427
Loan repaid	0	0	30642213	115688506	30642213	115688506
Balance at 31st March	0	0	68797	28557727	68797	28557727
Balance at 1st April	0	0	28557727	30005806	28557727	30005806
4) Managerial Remuneration						
Ghanshyambhai Thakkar	0	0	2100000	2170843	2100000	2170843
Krupeshbhai G. Thakkar	0	0	2089380	2159706	2089380	2159706
5) Dividend Paid						
Ghanshyambhai Thakkar	0	0	1462488	5675948	1462488	5675948
Ghanshyambhai Thakkar HUF	0	0	192692	770764	192692	770764
Krupeshbhai G. Thakkar	0	0	1228227	4599404	1228227	4599404
Krupeshbhai Thakkar HUF	0	0	694847	2779386	694847	2779386
Saraswatiben N. Thakkar	0	0	104262	417048	104262	417048
Smt. Dinuben G. Thakkar	0	0	118838	475350	118838	475350
Krupaben K. Thakkar	0	0	197590	790360	197590	790360
6) Interest Expenses						
Ghanshyambhai Thakkar HUF	0	0	11433	0	11433	0
Krupeshbhai G. Thakkar	0	0	89596	0	89596	0
Krupeshbhai Thakkar HUF	0	0	4500	0	4500	0
Saraswatiben N. Thakkar	0	0	24423	0	24423	0
Smt. Dinuben G. Thakkar	0	0	50335	0	50335	0
Krupaben K. Thakkar	0	0	49210	0	49210	0
Rushil K. Thakkar	0	0	11628	0	11628	0
Ghanshyambhai Thakkar	0	0	117882	0	117882	0
Partner of Rushil International			0	0	0	0
Krupesh Thakkar						
Ghanshyambhai Thakkar						

NOTES FORMING PART OF ACCOUNTS

Nature of Transaction	Associate Companies/Enterprises		Key Management Personnel & Relatives of such Personnel		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
7) Coporate Gurantee						
Given By Company						
Vertex Laminate Pvt Ltd	20055357	60000000	0	0	20055357	60000000
Balance as at 31st March	20055357	39636050	0	0	20055357	39636050
8) Equity Contribution						
Ghanshyambhai A. Thakkar	0	0	870000	0	870000	0
Krupeshbhai G. Thakkar	0	0	1567500	0	1567500	0
9) Salary						
Krupaben K. Thakkar	0	0	1189346	1077312	1189346	1077312
Keyurbhai Gajjar	0	0	1769080	1591105	1769080	1591105
(B) Balance at the end of the period						
1) Current Liabilities						
Vertex Laminate Pvt. Ltd.	16423180	0	0	0	16423180	0
2) Current Assets						
Rushil International	0	0	0	0	0	0
Vertex Laminate Pvt. Ltd.	0	0	0	0	0	0

NOTES FORMING PART OF ACCOUNTS
35. Disclosures Regarding Employee Benefits

As per Accounting Standard 15 “ Employee Benefits” the disclose of employee benefits as defined in the Accounting Standard are given below :

Defined Contribution Plan

Contribution to defined contribution plan, recognized as expense for the year is as under :

Particulars	2011-12 (Amount In ₹)	2010-11 (Amount In ₹)
Employers contribution to provident fund	17,35,997	13,59,118

- (i) Defined Contribution Plan : Employee benefits in the form of Provident Fund and ESIC are considered as defined contribution plan and the contributions to Employees Provident Fund Organization established under The Employees Provident Fund and Miscellaneous Provisions Act 1952 and Employees State Insurance Act, 1948, respectively, are charged to the profit and loss account of the year when the contributions to the respective funds are due.
- (ii) Defined Benefit Plan : Retirement benefit in the form of Gratuity are considered as defined benefit obligation and are provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. As the Company has not funded its liability, it has nothing to disclose regarding plan assets and its reconciliation. Defined Benefit Obligation for the year ended 31st March, 2012 amounted to ₹ 32,12,844/- (Previous year ₹ 22,54,241/-)
- (iii) Actuarial assumptions :
- | | |
|--|---------------|
| Mortality Table (LIC) | LIC 1994-1996 |
| Discount Rate (per annum) | 8 |
| Expected rate of return on plan assets (per annum) | - |
| Rate of escalation in salary (per annum) | 6 |
- (iv) The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.
- (v) The above information is certified by the actuary.
- (vi) Para 132 of Accounting Standard 15 (revised 2005) does not require any specific disclosure except where expense resulting from compensated absence is of such size, nature or incidence that its disclosure is relevant under Accounting Standard 15 or Accounting Standard 18. In the opinion of the management the expense resulting from compensated absence is not significant and hence no disclosures are prepared under various paragraphs of AS 15 (revised 2005).

NOTES FORMING PART OF ACCOUNTS
36. Earnings Per Share [EPS] :

Earnings Per Share has been computed as under

Particulars	For the Year ended 31-03-2012 (₹) 12 months	For the Year ended 31-03-2011 (₹) 12 months
(a) Profit after tax as per Profit & Loss Account (a)	56580612	44752393
(b) Weighted average number of Equity Shares	12946541	8756250
(c) Nominal Value of Equity Shares	10	10
(d) Earning per share : (Basic & Diluted) Annualized	4.37	5.11

37. In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business and the provisions for depreciation and all known and ascertained liabilities are adequate and not in excess of the amounts reasonably necessary.

38. Inventories are as taken, valued and certified by a Director.

39. Deferred Tax Assets / (Liability)

The breakup of Deferred Tax as at 31.03.2012 is as under.

Particulars	(Amt in ₹)	
	Amount	Amount
DEFERRED TAX LIABILITIES.		
- Depreciation Difference	59430033	53145765
NET DEFERRED TAX LIABILLITY	59430033	53145765

40. In absence of the complete information regarding the status of the suppliers as micro, small or medium enterprise as per the micro, small and medium enterprise development act, 2006 the information regarding the amount due to such parties as on the balance sheet date and provision for interest if any required by the said act is not been made.

41. Consumption of Raw Materials in terms of Value* and Percentage :

Sr. No.	Particulars	2011-12 Value in ₹	%	2010-11 Value in `	%
i)	Imported	518434011	53.65	413166132	50.19
ii)	Indigenous	447898181	46.35	410036298	49.81
	TOTAL	966332192	100.00	823202430	100.00

NOTES FORMING PART OF ACCOUNTS
42. Particulars of Power and Fuel Cost

Sr No	Particulars	2011-2012 (in ₹)	2010-2011 (in ₹)
1	Electricity	42159000	38893452
2	Firewood	6605997	6543200
3	Lignite & Coal	19515780	19923108
4	Diesel Expense	1808840	3673872
5	Rent for Diesel Generator	0	234000
	Total	70089617	69267632

43. CIF VALUE OF IMPORTS

Sr No	Particulars	2011-2012 (in ₹)	2010-2011 (in ₹)
i)	Raw Material	33,32,29,415	19,46,22,772
ii)	Capital Goods	15,56,63,185	12,71,90,996

44. Expenditure in Foreign Currency

Sr No	Particulars	2011-2012 (in ₹)	2010-2011 (in ₹)
i)	Travelling Expenses	4,32,036	3,25,124
ii)	Exhibition Expenses	13,00,801	Nil
iii)	Bank charges, Interest & Commission	2,15,85,820	25,40,282
iv)	Consultancy Charges	89,955	NIL

45. Earning in Foreign Exchange

Sr No	Particulars	2011-2012 (in ₹)	2010-2011 (in ₹)
	- FOB Value of exports	70,95,06,217	43,90,02,739

46. As per the practice consistently followed, Cenvat Duty on finished goods lying in the plants at the end of the period is neither included in expenditure nor valued in such stock, but is accounted for upon clearance of goods. This has no effect on profit/loss for the period.

Signature to Notes 1 to 46 as per our report of even date attached.

**For Parikh & Majmudar
Chartered Accountants**

For, and on behalf of the Board

**[Dr. Hiten M. Parikh]
PARTNER
M. No. 040230
Firm Reg. No. 107525W**

**[Ghanshyambhai A.Thakkar]
Chairman**

**[Krupeshbhai G. Thakkar]
Managing Director**

**Place : Ahmedabad
Date : 26th May, 2012**

**[H. K. MODI]
Company Secretary**

Rushil Decor Limited

Regd. Office: S. No.125, Near Kalyanpura Patia,
Gandhinagar – Mansa Road, Village Itla, Tal: Kalol, Dist. Gandhinagar – 382845, Gujarat.

PROXY FORM

Folio No. : _____

*DP ID : _____

*Client ID: _____

I/we of
..... being a member / members of RUSHIL DÉCOR LIMITED,
hereby appoint of
..... or failing him/her
..... of
..... as my/our proxy to vote
for me/us on my/our behalf at the 18th Annual General Meeting of the Company to be held on Monday,
20th August, 2012 at 9.00 a.m. and at any adjournment thereof.

Affix Rs. 1/-
Revenue
Stamp

Signature _____

* Applicable in case of shares held in Demat.

Notes: The proxy should be deposited with the Company not later than 48 hours before the commencement of the meeting. The proxy need not be a Member of the Company.

----- (TEAR HERE) -----

Rushil Decor Limited

Regd. Office: S. No.125, Near Kalyanpura Patia,
Gandhinagar – Mansa Road, Village Itla, Tal: Kalol, Dist. Gandhinagar – 382845, Gujarat.

ATTENDANCE SLIP

(To be presented at the entrance)

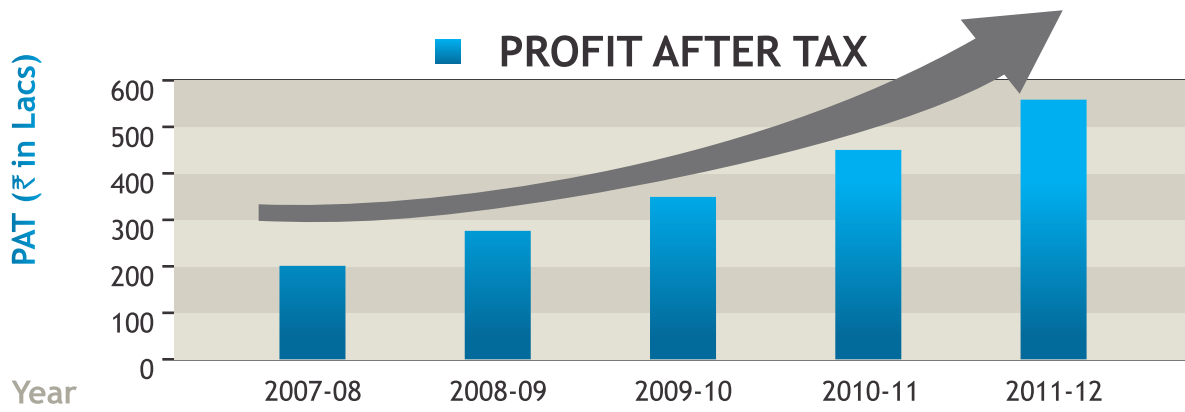
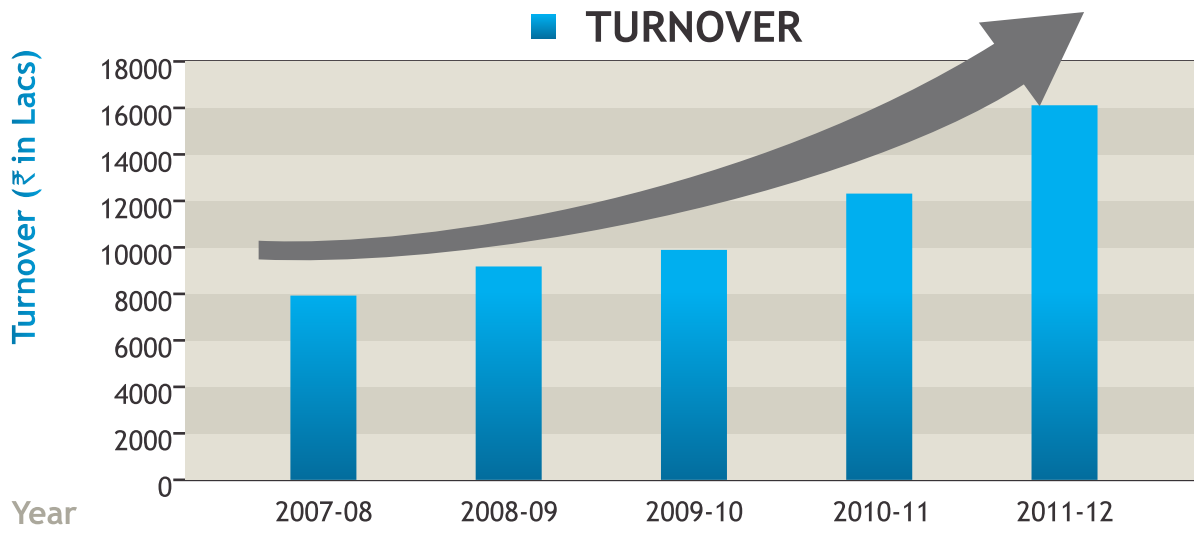
I hereby record my presence at the 18th Annual General Meeting of the Company held on Monday, 20th August, 2012 at 9.00 a.m. at the Registered Office of the Company

Folio No. _____ DP ID No. _____ Client ID No. _____

Name of the Member: _____ Signature: _____

Name of the Proxy holder: _____ Signature: _____

1. Only Member/Proxy holder can attend the meeting
2. Member/Proxy holder should bring his/her copy of the Annual Report for reference at the meeting.





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CORPORATE OFFICE

Rushil Decor Ltd. 1, Krinkal Apt. Mahalaxmi Society, Paldi,
Ahmedabad-380007, Gujarat, India.

REGISTERED OFFICE

S. No. 125, Nr. Kalyanpura Patia, Gandhinagar Mansa Road,
Village Itla, Tal: Kalol, District: Gandhinagar-382845



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Contribution Number: 442-016
Environmental Approval Code: 442-016-001

IS : 2046-1995
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