



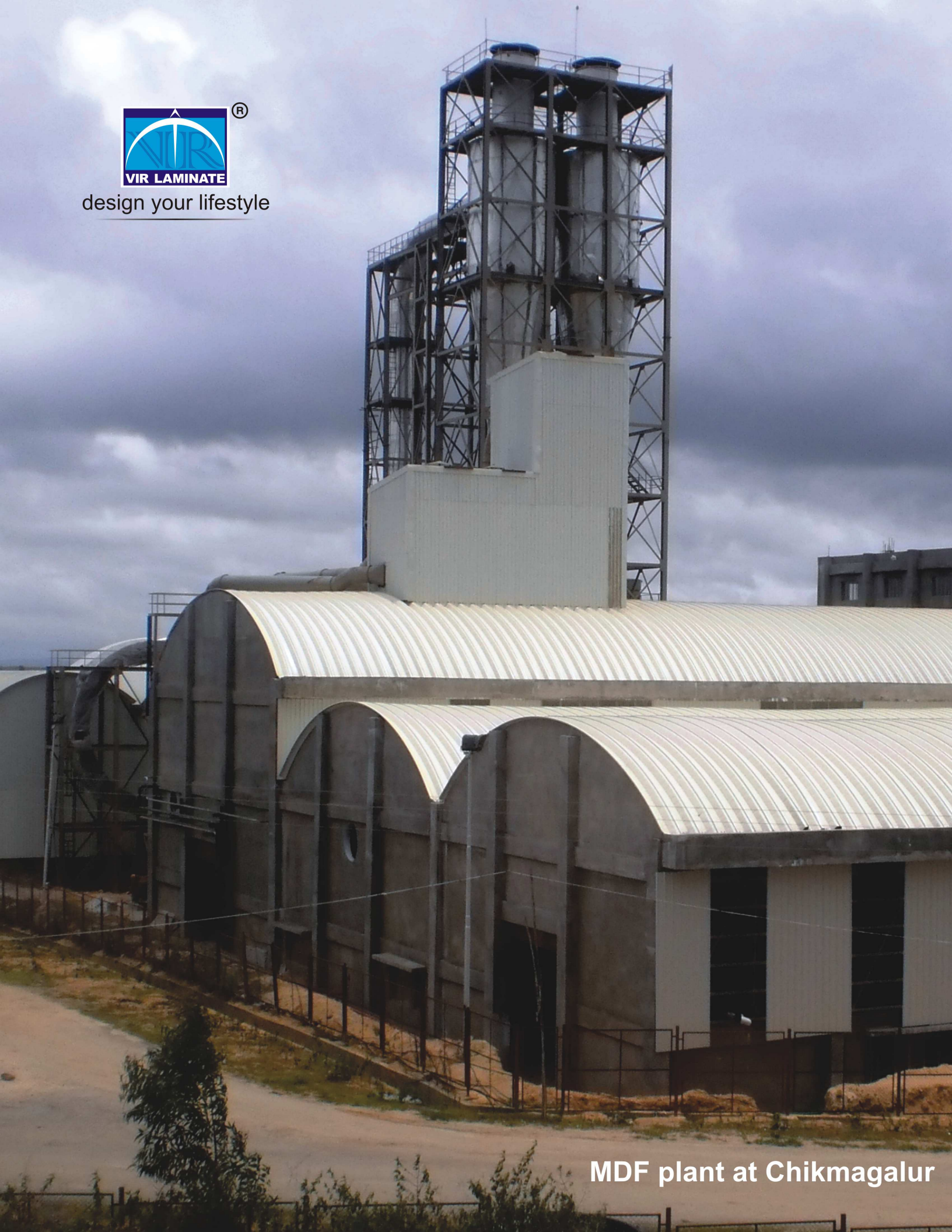
# RUSHIL DECOR LIMITED

# 19<sup>th</sup> ANNUAL REPORT 2012-13





design your lifestyle



MDF plant at Chikmagalur

**CORPORATE INFORMATION:****BOARD OF DIRECTORS**

Mr. Ghanshyambhai A. Thakkar	<i>Chairman &amp; Whole time Director</i>
Mr. Krupesh G. Thakkar	<i>Managing Director</i>
Mr. Kaushikbhai J. Thakkar	<i>Executive Director</i>
Mr. Rohitbhai B. Thakkar	<i>Independent Director</i>
Mr. Harshadbhai N. Doshi	<i>Independent Director</i>
Mr. Shanker Prasad Bhagat	<i>Independent Director</i>

**COMPANY SECRETARY  
& COMPLIANCE OFFICER**

Mr. Hasmukh K. Modi

**STATUTORY AUDITORS**

M/s. Parikh & Majmudar  
Chartered Accountants  
303, GCP Business Centre,  
Opp. Memnagar Fire Station,  
Near Vijay Cross Road, Navrangpura,  
Ahmedabad -380 009.

**PRINCIPAL BANKERS**

Bank of Baroda  
Kalol Branch, N.G. Road, Kalol.

Allahabad Bank  
S.P. Nagar Branch,  
'ACME CENTRE', Shrimali Society,  
Nr. Navrangpura Railway Crossing,  
Navrangpura, Ahmedabad – 380 009.

**REGISTERED AND CORPORATE OFFICE****Registered Office:**

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

**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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## RUSHIL DECOR LIMITED

### NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of Rushil Decor Limited will be held on Friday, September 27, 2013 at 11.00 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 to transact the following businesses:

#### Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2013, the Statement of Profit & 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 Krupeshbhai Ghanshyambhai Thakkar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Ghanshyambhai Ambalal Thakkar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

#### Special Business:

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

**“RESOLVED THAT** Shri Rohitbhai B. Thakkar, who was appointed by the Board of Directors as an Additional Director on the Board of the Company w.e.f. 30th March, 2013 and also holds office up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 (“the Act”) and in respect of whom the Company has received a notice in writing from a member under section 257 of the Act, proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

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

**“RESOLVED THAT** Shri Kaushikbhai J. Thakkar, who was appointed by the Board of Directors as an Additional Director on the Board of the Company w.e.f. 30th March, 2013 and also holds office up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 (“the Act”) and in respect of whom the Company has received a notice in writing from a member under section 257 of the Act, proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”), as amended or re-enacted from time to time, read with Schedule XIII of the Act and subject to the approval of the Central Government, if required, and also subject to such other approvals as may be necessary, the Company hereby approves of the appointment and terms of remuneration of Shri Kaushikbhai J. Thakkar as the Executive Director of the Company, for a period of 5 (five) years with effect from March 30, 2013, upon the terms and conditions, including the remuneration to be paid in the event of inadequacy of profits in any financial year, as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty 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 the said 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 do all acts, deeds and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Registered Office:  
S. No. 125, Nr. Kalyanpura Patia,  
Vill. Itla, Gandhinagar Mansa Road,  
Tal. Kalol, Dist. Gandhinagar - 382845.  
Date: August 14, 2013

By Order of the Board,  
For Rushil Décor Limited

**Hasmukh K. Modi**  
Company Secretary

**Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXIES 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. The information required to be provide under Clause 49 of Listing Agreement executed with the Stock Exchanges, regarding the Directors who are proposed to be appointed/ re-appointed as Directors of the Company, are given as Annexure to this notice.
5. Members holding shares in electronic form are requested to notify change in address, bank mandate and bank particulars, if any, to their Depository Participants. Members holding shares in physical form are requested to advice any change of address immediately to the Company / Registrar & Share Transfer Agent, M/s. Bigshare Services Private Limited.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 21st September, 2013 to Friday, 27th September, 2013 (both days inclusive) for the purpose of Annual General Meeting and for determining the names of Members eligible for Dividend, if declared at the Meeting.
7. 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.
8. Members are requested to intimate to the Company, queries if any, regarding the accounts at least 7 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.
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 or 31st March, 2012 may approach the Company for payment thereof.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 6**

Shri Rohitbhai B. Thakkar was appointed by the Board of Directors as an Additional Director on the Board of the Company w.e.f. 30th March, 2013. As per the provisions of Section 260 of the Companies Act, 1956 he holds the office of director till the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member under section 257 of the Act together with a requisite deposit amount proposing the candidature of Shri Rohitbhai B. Thakkar for the office of the Director of the Company. Shri Rohitbhai B. Thakkar is very dynamic and has vast experience.

The Board considers it desirable that the Company should continue to avail the services of Shri Rohitbhai B. Thakkar as Director and accordingly recommend the resolution for approval by the Members. Shri Rohitbhai B. Thakkar is holding 55 equity shares of the Company prior to the date of his appointment and the same was disclosed by him as required under clause 49 (IV) (E) (v) of the listing agreement.

Except Shri Rohitbhai B. Thakkar, no other Director of the Company is interested or concerned in the aforesaid resolutions.

**ITEM NO. 7 & 8**

Shri Kaushikbhai J. Thakkar was appointed by the Board of Directors as an Additional Director on the Board of the Company w.e.f. 30th March, 2013. As per the provisions of Section 260 of the Companies Act, 1956 he holds the office of director till the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member under section 257 of the Act together with a requisite deposit amount proposing the candidature of Shri Kaushikbhai J. Thakkar for the office of the Director of the Company.



## RUSHIL DECOR LIMITED

The Board has appointed him under the designation of Executive Director of the Company for a period of 5 years w.e.f. 30th March, 2013 to look into the affairs of the manufacturing units of the Company, subject to the approval of the Members.

Shri Kaushikbhai J. Thakkar is associated with the Company since August, 2008 and providing services in Internal Control Department. He has wide experience of admin & business. He was looked after the affairs of branches and business with consignment agents. He has good knowledge about the products of the Company. Presently, he is looking the affairs of manufacturing units of the Company.

Brief resume of Shri Kaushikbhai J. Thakkar is given in the Annexure attached to the Notice.

The terms of appointment and remuneration of Shri Kaushikbhai J. Thakkar as approved by the Board include:

- a) Tenure of Agreement:** For a period of 5 years from March 30, 2013
- b) Nature of duties:** The appointee shall devote his whole time and attention for the business of the Company and particularly to look into the affairs of the manufacturing units of the Company. He may also carry out such duties as may be decided by the Board of Directors from time to time.

**c) Remuneration:**

- (i) Salary: ₹ 20,000/- per month subject to such periodical increments as may be decided by the Board of Directors subject however that the aggregate remuneration on account of salary shall not exceed ₹ 50,000/- per month.
- (ii) Benefits, perquisites and allowances as may be determined by the Board from time to time.

Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Appointee, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances, as specified above subject to the compliances of law.

**d) Other terms of Appointment:**

- (i) The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under schedule XIII to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Appointee subject to the compliances of law.
- (ii) All personnel Policies of the Company and the related Rules which are applicable to other employees and directors of the Company shall also be applicable to the Appointee, unless specifically provided otherwise.
- (iii) The terms and conditions of appointment with the Appointee also include clauses pertaining to adherence with the RDL Code of Conduct, no conflict of interest with the Company and maintenance of confidentiality.

In compliance with the provisions of Sections 198, 269, 309 and other applicable provisions of the Act read with Schedule XIII of the Act, the terms of appointment and remuneration specified above are now being placed before the Members for their approval. Your Board of Directors believes that association of Shri Kaushikbhai J. Thakkar would be beneficial to the Company and recommend that the aforesaid resolution be passed by the members.

Except Shri Kaushikbhai J. Thakkar, no other Director of the Company is interested or concerned in the aforesaid resolutions.

Registered Office:  
S. No. 125, Nr. Kalyanpura Patia,  
Vill. Itla, Gandhinagar Mansa Road,  
Tal. Kalol, Dist. Gandhinagar - 382845.  
Date: August 14, 2013

By Order of the Board,  
For Rushil Décor Limited

**Hasmukh K. Modi**  
Company Secretary

**(ANNEXURE TO THE NOTICE)  
DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING  
(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)**

Name of the Director	Shri Krupeshbhai G. Thakkar	Shri Ghanshyambhai A. Thakkar	Shri Kaushikbhai J. Thakkar	Shri Rohitbhai B. Thakkar
Date of Birth	21.10.1970	18.11.1943	27.03.1958	11.04.1955
Date of Appointment on the Board	24.05.1993	08.03.2007	30.03.2013	30.03.2013
Qualification	B.Com.	B.Sc. Diploma in Civil Engineering	Higher Secondary	Under Graduate
Expertise	Vast Experience in General Management & Project implementation	Vast Experience in General Management & Production & Purchase	Having admin & business experience	Experience of Management
Shareholding in Rushil Décor Ltd. in individual capacity as on the date of Notice	1542484	2025950	NIL	55
Relationship between directors inter-se	Shri Ghanshyambhai A. Thakkar is father of Shri Krupeshbhai G. Thakkar	Shri Ghanshyambhai A. Thakkar is father of Shri Krupeshbhai G. Thakkar	No relationship	No relationship
Directorship held in other public companies excluding Private Companies	Nil	Nil	Nil	Nil
Chairmanship / Membership of the Committees across all companies	Member of Shareholder / Investor Grievance Committee in Rushil Décor Limited	Member of Shareholder / Investor Grievance Committee in Rushil Décor Limited	Member of Audit Committee in Rushil Décor Limited	Member of Remuneration Committee in Rushil Décor Limited

By Order of the Board,  
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 - 382845.  
Date: August 14, 2013

**DIRECTORS' REPORT**

To,  
The Members,  
Rushil Decor Limited

Your Directors are pleased to present the 19<sup>th</sup> Annual Report on the business and operations of the Company along with the Audited Statement of Accounts for the financial year ended 31st March, 2013:

**FINANCIAL HIGHLIGHTS:**

The financial performance of the Company, for the year ended March 31, 2013 is summarized below:

(₹ In lacs)

Particulars	2012-13	*2011-12
Total Net Revenue from operations	18202.52	15317.77
Profit before Interest, Depreciation and Tax	2491.40	1857.19
Less: Financial costs	1116.66	814.55
Profit before Depreciation and Tax	1374.74	1042.64
Less: Depreciation and Amortization Expenses	512.40	256.43
Profit before Tax	862.34	786.21
Provision for Tax:		
Current Tax	185.66	157.56
Deferred Tax	274.08	62.84
Profit after Tax	402.6	565.81
Add: Balance of Profit brought forward from previous year	1298.04	815.91
Profit available for appropriation	1700.64	1381.72
Appropriation to:		
Dividend on Equity Shares(including tax on dividends)	83.68	83.68
Balance Carried over to the Balance Sheet	1616.96	1298.04

\* Figures of previous year have been regrouped and rearranged, wherever required.

**REVIEW OF BUSINESS OPERATION:**

During the Financial year 2012-13, your company has started full fledge commercial production of Medium Density Fiber Board "MDF Board" at Dist. Chikmagalur, State Karnataka. The Total Net income from operation of company for the financial year 2012-13 is ₹18202.52 lacs as against ₹ 15317.77 lacs for the previous financial year reflecting a growth of 18.83% in financial year 2012-13. The detailed operation performance of company has been discussed in detail in the Management Discussion and Analysis Report which is enclosed with this report and forming part of the Directors' Report.

**DIVIDEND:**

Your directors recommended Rupees 0.50 (Paisa Fifty Only) per share i.e. 5% final 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 would involve an outflow of ₹ 83.68 lacs (including dividend tax) calculated at the rate of 5% (₹ 0.50 per equity share) on 1,44,00,000 equity shares of the face value of ₹10 each.

**UTILISATION OF IPO PROCEEDS:**

Your company came with IPO in June, 2011, company raised fund of ₹ 4063.50 lacs and the entire funds are utilized in accordance with the Objects of the Issue as mentioned in the Prospectus.

**PROJECT & EXPANSION:**

Company has started full fledge commercial production of MDF Board (Medium Density Fiber Board) at Chikmagalur, Karnataka from the month of September, 2012. The revenue generated by Company from Medium Density Fiber Board unit during the year 2012-13 is ₹1408.21 lacs.

**PUBLIC DEPOSITS**

Your Company has not invited any fixed deposit from the public attracting provisions of Section 58A of the Companies Act, 1956.

**CORPORATE GOVERNANCE REPORT:**

Corporate Governance pursuant to Clause 49 of the Listing Agreement executed with Stock Exchanges, along with Company Secretary's Certificate on Compliance with the provision of corporate governance forms part of this Report.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

The Management Discussion & Analysis Report Pursuant to Clause 49 of the Listing Agreement with stock exchanges is annexed and forms part of this annual report.

**INSURANCE**

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

**BOARD OF DIRECTORS**

In term of the provision of the companies Act, 1956, Shri Krupeshbhai Ghanshyambhai Thakkar and Shri Ghanshyambhai Ambalal Thakkar, Directors of your Company, shall retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Shri Kabdi Narendrakumar Jain, an Independent Director in the Company has resigned with effect from 2<sup>nd</sup> Day of March, 2013. Your Directors place on record their deep appreciation and wish to thank him for his fruitful contribution during his tenure as director on the Board.

Shri Kaushikbhai J. Thakkar & Shri Rohitbhai B. Thakkar have been appointed as additional directors w.e.f. 30<sup>th</sup> March, 2013.

Appropriate resolutions for the appointment / reappointment of the aforesaid directors are being moved at the ensuing Annual General Meeting, which the board recommends for your approval.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors confirm that;

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departure;
- (b) They 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) They 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) They have prepared the annual accounts on a going concern basis.



**AUDITORS & THEIR REPORT**

M/s. Parikh & Majmudar, Chartered Accountants, statutory auditor of the company, hold office until the conclusion of the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. The Company has received certificate from them to give the effect that the re-appointment, if approved by the shareholders, would be within the ceiling prescribed under section 224(1B) of the Companies Act, 1956 & that they are not disqualified for such reappointment within the meaning of Section 226 of the said Act.

The observations of Auditors in their report, read with the relevant notes to accounts are self-explanatory therefore do not require further clarification.

**COST AUDIT REPORT**

As per MCA Order No. 52/26/CAB-2010 dated November 6, 2012, all the products of our Company are covered under the compulsory Cost Audit under Sr. No. 53 & 56 of Table-II of a said order. So, Company is required to get its cost records audited by a cost accountant who holds a valid certificate of practice.

The Board has re-appointed, with the approval of the Central Government, M/s. Kiran J Mehta and Co., Cost Accountants, as the Cost Auditors of the Company to audit the cost records of the company for the financial year 2013-14.

Cost Audit report for the financial year 2011-12 was filed by the Cost Auditor before due date prescribed by the Ministry of Corporate Affairs.

**PARTICULARS OF THE EMPLOYEES**

The Company had not paid any remuneration to any employee 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**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under 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 place on record their sincere appreciation for the valuable assistance and co-operation received from Customers, Stakeholders, Bankers, Financial Institutions, State and Central Government Regulatory Authorities, Service Providers, Contractors etc. Your Directors also desire to place on record their appreciation for 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 : August 14, 2013

**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 as follow:

- The Company has reduced the use of conservative energy techniques for consumption of energy in the areas of lighting, vacuum system, air-conditioning and process water heating / evaporation systems at its manufacturing plant and offices.
- The company on regular basis trying to improve its fuel mixture, fuel burning, steam generation, distribution, and utilization in manufacturing process in all the plants.
- Company always does on regular interval modification in process, maintenance of machine, plant, etc., awareness among employee about energy conservation measures.
- Company also appointed consultant to modify manufacturing process or method which may be useful to conservation of energy.
- 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. at possible level.
- Company has installed big air ventilators in its some units, which run on wind speed and do not require electricity.
- 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 find out new methods, techniques, machines etc. for energy conservation.

##### C. Impact of the Measures taken:

Energy conservation measures mentioned above is benefited financial as well as non-financial to the Company and are also in the interest of the Nation at large.

#### 2. Technology Absorption

##### A. Research and Development (R&D)

There is no specific area in which Research and Development (R & D) is carried out by the company, but the company always remains aggressive for improvement of quality of product, efficient manufacturing process, search of new products or modification in the existing products, search in new designs etc.

During the year company does not incurred any material capital expenditure on the research and development activity.

##### B. Technology, Absorption, Adoption and Innovation

- Company has taken services of consultant to improve manufacturing process or method which may be benefited to Company in the coming years.
- Multicon cyclone which is Environment friendly.
- Pre Air Heater, efficiency boosting equipment which increase the heating and efficiency of boiler.



## RUSHIL DECOR LIMITED

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.

Company has derived various benefits from technology absorption, adoption and innovation similar to 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 etc.

### Imported Technology:

- a) Technology Imported : MDF Plant having capacity of 300 M<sup>3</sup> per day from Shanghai Wood based Panel Machinery Co. Ltd., Shanghai, China for its Chikmagalur MDF manufacturing plant
- b) Year of Import : 2011-12
- c) Has technology been fully absorbed? : Yes

### Foreign Exchange Earning and Outgo:

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

### Foreign Exchange Inflow:

(Amount in ₹ Lacs)

Particulars	2012-13	2011-12
Earning in Foreign Exchange	8552.30	7095.06
<b>Foreign Exchange Outflow:</b>		
Purchase of Raw Material	3290.71	3332.29
Purchase of Capital Goods	185.19	1556.63
Expenditure in Foreign currency	303.87	234.09



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### OVERVIEW

The global economy did not improve to the extent anticipated at the beginning of the year and during the year it gone slowly. Deceleration in industrial output and exports weakened India's growth significantly. The Indian economy slowed down considerably with Real GDP growth fell to a decade's low of 5% for the 2012-13 financial year on account of poor performance of manufacturing, agriculture and services sector. The rupee remained weak for most part of the year.

### INDUSTRY STRUCTURE AND DEVELOPMENT

The Indians' furniture retail market is one of the 14th largest furniture markets in the world due to the rising purchasing power of the Indian middle class population. According to a Cushman and Wakefield report, the demand for residential spaces is forecasted to hit 4.25 million units while the demand for office spaces is expected to hit 400 million sq.ft. between 2010 and 2014. In furniture market, another major segment which drives to it is hotel developments and tourism demand. The furniture sector makes a marginal contribution to India's GDP. Globalization and a good pay package of the middle class India is a great boost for the furniture retail business in India.

The Mid size and small Companies in furniture and related products are terming the financial year 2012-13 as a bad time which did not participate in the growth, instead they are still suffering the wound caused by the burn. The year has witnessed growth in terms of value but not in volume. The furniture producers are visioning a positive trend in the coming year because reality sector is visibly positive on apartment prices. However, more players are added in the manufacturer's list of Particle Board and MDF which increase competition in Particle Boards and MDF which would keep the prices under control and also possibility of cut in profit.

### OPPORTUNITIES AND THREATS

#### OPPORTUNITIES:

- 1. Good Brand Image:** Company has good brand image and quality product in the Indian as well as foreign market. Company's products known in the market with brands which have the "VIR" as prefix. Company will get benefit to catch up market for it's new product MDF Board which is launched in the market in the month of September, 2012.
- 2. Real Estate Growth:** Growth in real estate sector i.e. hospitals, Housing, Hotels, Commercial Properties etc, are contributing good portion to the India's GDP. Government is also aggressive for the growth of real estate sector. The growth in the Real Estate sector will lead to the growth of Companies which are connected with Interior Infrastructure items.
- 3. New branches or Renovation of existing branches:** Now a day, the mindset of Government as well as Non-Government Banks, Financial Institution, Insurance Companies, Schools, Colleges, Hotels, Offices etc. is totally changed. These sectors are choosing latest and decorative interior items for attracting valuable customers.
- 4. Young Generation:** Our Country has a big portion of young generation in total population. The average age is between 20 to 25 years in India. These persons believe in better lifestyle. Further, average per head income is also increased which will help to improve the lifestyle of a person.
- 5. MDF is added in the product range:** In the last year, Company has started manufacturing of MDF Board which may provide new customers to the Company's existing products i.e. Decorative Laminate sheet, Particle Board etc. Further, Company will also get benefit of market developed by Company for its MDF product.
- 6. Urbanization:** There is a trend of urbanization in India. It changes the lifestyle of persons. With the increasing pace of urbanization in the country, the realty market of India has been witnessing a drastic change in the past few months. There was a record of construction and leasing out of spaces in retail, office space and residential areas. The absorption rate of the Indian realty market is quite strong and currently is in a upward swing position. This has huge implications for providing infrastructure and other civic amenities in urban areas.
- 7. MDF is substitute of Plywood:** Day by day, MDF is taking place of Plywood in Furniture Industry. People are accepting MDF as substitute of Plywood. Further, there are less players in India of MDF Board manufacturer. So, future of MDF Board is very prospective in India.

#### THREATS

- Dumping or Cheap import from China and other Countries.
- Competition from both unorganized and other organized players, leading to difficulties in improving market share.



- More and more new organized players are entering into market which will increase competition in organized sector also.
- Shortage of primary raw material which ultimately result into price hike of raw material.
- Large volatility in foreign exchange.
- Increase in taxation and strict regulatory norms regarding concerns over the environment.
- The bargaining power of customers.
- Threat of substitute products move toward market.
- The unorganized concerns have advantages in terms of excise waivers and other benefits due to their SSI status.

Our Company is well equipped to take advantage of whatever opportunities on hand and also to contest the threats.

#### **SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

##### **LAMINATES & ALLIED PRODUCTS**

Laminate and allied products division is performing very well. The company's focus remained to grab premium market share. The "VIR LAMINATE" & "SIGNOR" are the main brands under which company's laminate sheets are being sold in market and are attaining consumer preference for quality product. The turnover of Laminate and allied products segment was up from ₹ 12845.06 lacs in 2011-12 to ₹ 14579.47 lacs in 2012-13 showing growth of over 13.50%.

##### **PARTICLE BOARD**

The turnover of Particle Board segment was down from ₹ 1949.34 lacs in 2011-12 to ₹ 1279.74 lacs in 2012-13 showing decrease by 34.35%.

##### **MEDIUM DENSITY FIBER BOARD**

Year 2012-13 is the first year in which company started manufacturing and selling of Medium Density Fiber Board in the month of September, 2012. Sales of MDF product for part of the year is ₹ 1408.21 lacs.

##### **EXPORT PERFORMANCE**

The Export of company including deemed export was up from ₹ 7886.43 lacs in 2011-12 to ₹ 9814.46 lacs in 2012-13 showing growth of over 24.45%.

##### **FUTURE OUTLOOK**

In the FY 2012-13, one more segment "Medium Density Fiber Board" is joined in the growth engine of Company. Company is getting benefit of readymade market for its MDF product.

The Company's outlook for the year ending 31st March, 2014 is to add more products in the product range after looking to the mood of market. Housing, infrastructure and construction sectors have good support from Government which will ultimately lead to the opportunities for laminate and wood industries. However, there may be possibility of entrance of new organized and unorganized industries in this sector, the supply may beat to demand which can cause price volatility in the market. But, having modern technology, latest plants and precious brands, the products of our Company may be in position to capture emerging opportunities and to face the market threat or competition.

##### **RISKS AND CONCERNS**

The company is exposed to the normal industry risk factors of interest rate volatility, economic cycle, credit risk, Asset Risks (natural calamity etc.), Human Resource Risks, Foreign Exchange Fluctuation Risk, Government Policy Change Risk, 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. The steps taken by the company to minimize the risk is periodically reviewed by the board in its meeting.

##### **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 related transaction. Company also has the control systems at manufacturing plants. The products manufactured by Company are regularly tested for chemical properties before it is approved for dispatch.

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The Revenue from operations (Excluding Excise Duty) of company was increased from ₹ 15317.77 Lacs in 2011-12 to ₹ 18202.52 Lacs in 2012-13 showing growth of 18.83%.

The Profit before Tax of company was increased from ₹ 786.21 Lacs in 2011-12 to ₹ 862.34Lacs in 2012-13 showing growth of 9.68%.

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

The Company recognizes the importance of manpower which is growth engine for organisation. Company promotes employees to attend outside seminars or programs related to their fields and motivational which encourage them to make contribution toward company, family and nation at large. 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, 2013 was nearly 543. 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 made 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 Exchanges)

Corporate Governance is globally recognized aspect for excellence performance of every corporate entity in long term. In India, the report on Corporate Governance is mandatory in 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. Your 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 to attain fair, ethical and transparent governance practices by adopting highest standards of professionalism, honesty, integrity and ethical behavior with employees, shareholders, creditors, customers, dealers and lenders, ensuring regulatory compliance. Your Company believes in achieving business excellence and optimizing long-term value for its shareholders on a sustained basis through ethical business conduct. Your company tries to achieve highest level of transparency, accountability and equity in all fields of its operations and all its interactions with shareholders, employees, lenders and government.

**2. BOARD OF DIRECTORS**

**Composition:**

The Board of the company has an optimum combination of Promoter, Independent, Executive and Non-executive Directors as per clause 49 of the Listing Agreement, which maintain the independence of the Board and to separate its functions of governance and management.

As on 31<sup>st</sup> march, 2013, The Board of directors comprises 6 Directors out of which 3 Directors are Non-executive Independent Directors and 3 directors are executive directors. Out of 3 executive directors 2 directors are promoters of the Company. The Chairman of the Board is an Executive Director.

As per disclosure received from Director(s), 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 31.03.2013.

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.

There is no pecuniary relationship or transaction of the non-executive directors with the Company, its promoters, its directors or its senior management. Shri Krupeshbhai G. Thakkar, Managing Director is the Son of Shri Ghanshyambhai A. Thakkar, Chairman of the Company, except this there is no relationship between the directors inter-se.

**Board meetings:**

The Board met 5 times during the Financial Year 2012-13 and the time gap between two meetings is not more than four months. The Board Meetings were held on, 26th May, 28th July and 3rd November in 2012 and 4th February and 30<sup>th</sup> March in 2013.





The composition of the Board of Directors and their attendance at the board meetings and at the last Annual General Meeting and also the number of other Boards or Committees in which the directors are holding the position of member/ chairperson as follows:

Sr. No.	Name of the Director	Category	No. of Board meetings attended	Directorship in Public Companies including this Company		Committee position in Companies including this Company (*)		Attendance at last AGM
				As Chairman	As Member	As Chairman	As Member	
1	Shri Ghanshyambhai A. Thakkar	Chairman (Executive Director and Promoter)	5	1	—	—	1	Yes
2	Shri Krupeshbhai G. Thakkar	Managing Director (Executive Director and Promoter)	4	—	1	—	1	Yes
3	Shri Shankar Prasad Bhagat	Non Executive and Independent Director	5	—	7	5	9	Yes
4	Shri Harshadbhai Navnitlal Doshi	Non Executive and Independent Director	5	—	1	—	1	Yes
5	Shri Kaushikbhai Jaykrishna Thakkar (**)	Executive Director	N.A.	—	1	—	1	N.A.
6	Shri Rohitbhai Bhailal Thakkar (**)	Non Executive and Independent Director	N.A.	—	1	—	—	N.A.
7	Shri Narendra Kumar Jain Kabdi (***)	Non Executive and Independent Director	—	—	1	—	1	No

(\*) This includes only membership / chairmanship in Audit Committee and Shareholders / Investors Grievance Committee of Public Limited Companies governed by the Companies Act, 1956.

(\*\*) Company has appointed Shri Kaushikbhai Jaykrishna Thakkar and Shri Rohitbhai Bhailal Thakkar as Additional Directors with effect from 30<sup>th</sup> March, 2013.

(\*\*\*) Shri Narendra Kumar Jain Kabdi resigned from Directorship of company with effect from 2<sup>nd</sup> March, 2013.

**Information supplied to the Board of Directors:**

During 2012-13, all necessary information, as required under the provisions of the Companies Act, 1956, Listing Agreement and other applicable laws and rules were placed and discussed at the board meetings. The Board is also kept informed of major events/items and approvals taken wherever necessary.

**Changes in Directors during the Financial Year 2012-13**

Shri Narendra Kumar Jain Kabdi resigned from the Directorship of Company with effect from 2<sup>nd</sup> March, 2013.

Shri Kaushikbhai Jaykrishna Thakkar and Shri Rohitbhai Bhailal Thakkar have been appointed as Additional Directors with effect from 30<sup>th</sup> March, 2013 by Board of directors and holds office till commencement of the ensuing Annual General Meeting. Brief resume and other relevant details of the Directors proposed to be appointed/ re-appointed are given in the Annexure annexed to the Notice of the Annual General Meeting.

Shri Krupeshbhai Ghanshyambhai Thakkar and Shri Ghanshyambhai Ambalal Thakkar are Directors liable to retire by the rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

**CODE OF CONDUCT**

The Company's Board 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](http://www.virlaminate.com).

All Board members and senior management personnel have affirmed compliance with the code for the year ended 31<sup>st</sup> March, 2013. Annual declaration to this effect signed by the Managing Director forms part of this report.

**3. AUDIT COMMITTEE****Composition & Meetings:**

Your Company has set up a qualified and Independent Audit Committee in term of Clause 49 of Listing Agreement executed with Stock Exchanges and Section 292A of the Companies Act, 1956. The Committee was reconstituted by the Board of Directors at its meeting held on 30.03.2013.

As on 31.03.2013, Audit Committee comprises three directors out of which two are non-executive independent Director and one is Executive Director. Mr. Hasmukh K. Modi, Company Secretary acts as a secretary to the Audit Committee.

During the year under review, Audit Committee meetings were held four times on 26th May, 2012, 28th July, 2012, 3rd November, 2012 and 4 February, 2013. The name of committee members and their attendance in the committee meetings is as under:

Name of the Director	Designation	Nature of Directorship	No. of meetings	
			Held	Attended
Shri Shankar Prasad Bhagat	Chairman	Non Executive - Independent Director	4	4
Shri Harshadbhai Navnitlal Doshi	Member	Non Executive - Independent Director	4	4
Shri Narendra Kumar Jain Kabdi (*)	Member	Non Executive - Independent Director	4	—
Shri Kaushikbhai Jaykrishna Thakkar (**)	Member	Executive – Director	4	—

(\*) Shri Narendra Kumar Jain Kabdi resigned from Directorship of company with effect from 2<sup>nd</sup> March, 2013 and also discontinued as member in Audit Committee from that date.

(\*\*) Company has appointed Shri Kaushikbhai Jaykrishna Thakkar as Additional Director on 30<sup>th</sup> March, 2013 and simultaneously he also appointed as member in Audit committee.

The members of the committee are well-versed in matters relating to finance, accounts and general management practices. Shri Shankar Prasad Bhagat, Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

**Term of reference:**

The Brief description of terms of reference of audit committee is as under:

- I. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- II. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- III. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- IV. Appointment, removal and terms of remuneration of internal auditors.
- V. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit finding.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.
- VI. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- VII. Reviewing, with the management, the statement of uses / application of funds raised through an Initial Public Issue (IPO).
- VIII. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- IX. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- X. Discussion with internal auditors any significant findings and follow up there on.
- XI. Reviewing internal audit reports and adequacy of the internal control systems.



- XII. Reviewing with management about letter of internal control weaknesses issued by the Statutory Auditors.
- XIII. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- XIV. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- XV. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- XVI. To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.
- XVII. Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.

#### 4. REMUNERATION COMMITTEE

##### Composition and Meeting:

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. One meeting of remuneration committee was held during the year on 22.05.2012. The details of Committee members attendance in the meeting is as under:

Name of the Director	Designation	Nature of Directorship	No. of meetings	
			Held	Attended
Shri Shankar Prasad Bhagat	Chairman	Non Executive - Independent Director	1	1
Shri Harshadbhai Navnitlal Doshi	Member	Non Executive - Independent Director	1	1
Shri Narendra Kumar Jain Kabdi (*)	Member	Non Executive - Independent Director	1	—
Shri Rohitbhai Bhailal Thakkar (**)	Member	Non Executive - Independent Director	1	N.A.

(\*) Shri Narendra Kumar Jain Kabdi resigned from Directorship of company with effect from 2<sup>nd</sup> March, 2013 accordingly discontinued as member in Remuneration Committee.

(\*\*) Company has appointed Shri Rohitbhai Bhailal Thakkar as Additional Director on 30<sup>th</sup> March, 2013 and also became a member in Remuneration committee.

The Remuneration Committee was reconstituted on 30<sup>th</sup> March, 2013.

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

- To review and recommend to the Board 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.).

##### Details of remuneration of directors:

The detail of remuneration paid to the directors during the financial year 2012-13 is as under:

##### • Executive Directors

Name	Salary and Allowances	Perquisites	Total
Shri Ghanshyambhai A. Thakkar	32,21,705/-	39,950/-	32,61,655/-
Shri Krupeshbhai G. Thakkar	32,23,917/-	39,950/-	32,63,867/-

##### • Non-Executive Directors

Company is not paying anything to non-executive director except sitting fees for board meeting attended by them.

There was no any pecuniary relationship or transactions of Non-executive directors vis-à-vis the Company.

The Company has complied with the non-mandatory requirement of Clause 49 regarding the Remuneration Committee.

#### 5. SHAREHOLDERS/ INVESTOR'S GRIEVANCES COMMITTEE

The Company has set up a Shareholders / Investors Grievance Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/ notices/ annual reports, etc.

Composition and Meetings:

Name of the Director	Designation	Nature of Directorship	No. of meetings	
			Held	Attended
Shri Shankar Prasad Bhagat	Chairman	Non Executive - Independent Director	4	4
Shri Ghanshyambhai A. Thakkar	Member	Executive Chairman	4	4
Shri Krupeshbhai G. Thakkar	Member	Managing Director	4	4



## RUSHIL DECOR LIMITED

The Shareholders / Investor's Grievances Committee reviews shareholder grievances and related requests received from the shareholders. During the Financial Year 2012-13, four meetings of the Shareholders' Grievance Committee were held on 26th May 2012, 28th July 2012, 3rd November 2012 and 4th February 2013.

Mr. Hasmukh K. Modi, Company Secretary, acts as the secretary to the Committee and compliance officer of the Company. During the Financial Year 2012-13, **one** complaint was received and the same was solved to the satisfaction of the complainant. As on 31.03.2013, not a single complaint was pending as unresolved.

### 6. GENERAL BODY MEETINGS

i. The Location and time of last three Annual General Meetings are as follows:

Financial Year	Location	Date	Time	No. of special Resolutions passed
2011-12 (18 <sup>th</sup> AGM)	At the Registered office of the Company at S. No. 125, Nr. Kalyanpura Patia, Village Itla, Gandhinagar Mansa Road, Tal. Kalol, Dist. Gandhinagar.	20.08.2012	9.00 a.m.	1(one) #
2010-11 (17 <sup>th</sup> AGM)		21.09.2011	11.00 a.m.	—
2009-10 (16 <sup>th</sup> AGM)		13.09.2010	11.00 a.m.	—

# Detail of Special Resolution

Company had passed special resolution in the 18<sup>th</sup> AGM held on 20.08.2012, to vary, alter, modify, revise or amend the terms referred to in the prospectus dated June 28, 2011, filed by the Company with the office of The Registrar of Companies, Ahmadabad, 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%.

ii. Special resolution passed through postal ballot:

During the Financial Year 2012-13, No special resolution was passed through postal ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

### 7. 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.
- (2) **Disclosure of Accounting Treatment:** For the preparation of the Financial Statements, the Company has followed the Accounting Policies and Practices as prescribed in the Accounting Standards and has not adopted a treatment different from what is prescribed in the Accounting Standards.
- (3) **Details of Non-Compliance:** There has been no instance of non-compliance by the Company on any matter related to capital markets since the date of listing (7<sup>th</sup> July, 2011) and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority.
- (4) **Mandatory Requirement:** The Company had complied with all mandatory requirements and some non-mandatory requirements of Corporate Governance as required by the Listing Agreement.
- (5) **Non-Mandatory Requirement:** The Non-Mandatory requirements are adopted by the Company to the extent and in the manner as stated below:
  - Remuneration Committee: Company has set up a remuneration committee to recommend remuneration of the Managing Director / Whole time director or Executive Director.
  - Audit Qualification: There is no qualification in the Auditor's Report on the Financial Statements for the Financial Year 2012-13.

Company has not adopted any other Non-mandatory requirement of the clause 49 of Listing Agreement

- (6) **Certification under Clause 49(V) of the Listing Agreement:** Managing Director and Vice President – Accounts & Finance have certified financial statements to the Board in accordance with Clause 49(V) of the Listing Agreement for the financial year ended March 31, 2013, which is separately annexed to this report.

### 9. MEANS OF COMMUNICATION

- i. **Financial Results:** 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. Company generally published the results in any one newspaper from Financial Express, Economic Times, Business Standard etc. in English and any one newspaper from Financial Express, Economic Times, Prabhat etc. in Gujarati newspapers. In addition, these results are simultaneously posted on the Company's website [www.virlaminate.com](http://www.virlaminate.com).



- ii. **Website:** The Company's website [www.virlaminate.com](http://www.virlaminate.com) also displays required other details / information of interest to various stakeholders. There is a separate section namely "INVESTOR" in the Company's website where shareholders information is available. The Annual Report of the Company is also available on the website of the Company in a downloadable form.

**10. GENERAL SHAREHOLDERS' INFORMATION**

AGM: Date, Time and Venue	Friday, September 27, 2013 at 11.00 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	Financial Year of the Company is from April 01 to March 31 and financial results will be declared for the financial year 2013-14 as per the following schedule:
	<u>Particulars</u> : <u>Tentative and subject to change</u>
	<b>Quarterly Unaudited Results</b>
	Quarter ending 30th June, 2013 : On or before 14th August, 2013
	Quarter ending 30th September, 2013 : On or before 14th November, 2013
	Quarter ending 31st December, 2013 : On or before 14th February, 2014
	<b>Annual Audited Results</b>
Fourth Quarter and Year ending 31st March, 2014 : On or before 30th May, 2014	
Date of Book Closure	From <b>Saturday, 21st September, 2013 to Friday, 27th September, 2013</b> (both days inclusive)
Dividend Payment Date	The proposed dividend, if approved at the ensuing Annual General Meeting, will be distributed on or after <b>27th September, 2013</b> within the statutory time limit.
Listing of Equity Share at Stock Exchanges	(i) Bombay Stock Exchange Limited (BSE) & (ii) National Stock Exchange of India Limited (NSE) Annual Listing Fees for the year 2013-14 have been paid by the Company to BSE and NSE.
Demat ISIN Numbers in NSDL & CDSL	INE573K01017 Annual Custodial Fees for the year 2013-14 have been paid by the Company to NSDL and CDSL.
Stock Code/Symbol	BSE Equity Script Code: 533470 NSE Equity Symbol: RUSHIL

**Market Price Data:**

The monthly high and low prices of your Company's shares at BSE and NSE along with BSE Sensex monthly closing for the year ended 31st March, 2013 are given as follows:

Month	Bombay Stock Exchange (in ₹)		BSE Sensex (Closing)	National Stock Exchange (in ₹)	
	High	Low		High	Low
April 2012	256.50	205.10	17,318.81	256.65	205.00
May 2012	301.55	205.00	16,218.53	259.80	205.00
June 2012	225.05	200.00	17,429.98	225.50	200.30
July 2012	223.60	176.00	17,236.18	223.80	180.00
August 2012	238.00	192.05	17,429.56	236.40	192.30
September 2012	268.60	205.00	18,762.74	268.50	205.00
October 2012	290.50	246.00	18,505.38	290.65	246.60
November 2012	321.50	277.10	19,339.90	321.55	247.90
December 2012	315.00	263.30	19,426.71	308.00	264.00
January 2013	350.00	238.25	19,894.98	349.70	237.50
February 2013	243.00	124.00	18,861.54	243.30	123.75
March 2013	111.65	42.35	18,835.77	111.40	42.20

Share Registrar and Transfer Agent: Bigshare Services Private Limited  
E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai-400 072.  
Tel No.: 022- 40430295 Fax No.: 022- 28475207 Email: [bhagwan@bigshareonline.com](mailto:bhagwan@bigshareonline.com)



**Share Transfer System:**

All equity shares except 5 equity share of the Company are in electronic form. Transfer of these shares is done through the depositories without intervention of the Company. For transfer of physical shares, 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.

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, the Company obtained a certificate from a Practicing Company Secretary on half yearly basis, for compliance of share transfer formalities. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, a certificate has also been obtained from a Practicing Company Secretary conducting secretarial audit on a quarterly basis for reconciliation of the share capital of the Company. As required, the Company filed copy of these certificates with the stock exchanges.

**Distribution of Shareholding as on 31<sup>st</sup> March, 2013:**

The distribution of shareholding of the Company as on 31st March, 2013 was as follows:

**(i) By size of shareholding**

No. of Shares	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Shareholding
01 to 500	1643	83.70	131751	0.91
501 to 1000	86	4.38	68530	0.48
1001 to 2000	57	2.90	86318	0.60
2001 to 3000	24	1.22	58523	0.41
3001 to 4000	10	0.51	35511	0.25
4001 to 5000	12	0.61	53835	0.37
5001 & 10000	33	1.68	244581	1.70
10001 & above	98	5.00	13720951	95.28
<b>Total</b>	<b>1963</b>	<b>100</b>	<b>14400000</b>	<b>100.00</b>

**(ii) Pattern of Shareholding**

Sr. No.	Category	No. of holders	% of Shareholders	No. of Shares	% of total no. of shares
1	Promoters and Promoter Group	8	0.41	7999704	55.55
2	Public Shareholding:				
	- Financial Institutions / Banks	1	0.05	57500	0.40
	- Foreign Institutional Investors	4	0.20	1194105	8.29
	- Bodies Corporate	265	13.50	2618313	18.18
	- Individuals				
	i. Holding nominal share capital upto ₹ 1 lakh	1629	82.99	478826	3.33
	ii. Holding nominal share capital in excess of ₹ 1 lakh	35	1.78	1872808	13.01
	- Clearing Member	8	0.41	177340	1.23
	- Non Resident Indians	13	0.66	1404	0.01
	<b>Total</b>	<b>1963</b>	<b>100.00</b>	<b>14400000</b>	<b>100.00</b>

**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 31<sup>st</sup> March, 2013, all the equity shares of the Company have been dematerialized except 5 equity shares which were rematerialized by one of the shareholders.

**Outstanding GDRS / ADRS / Warrants or any Convertible Instruments, conversion date and likely impact on equity:**  
Nil

**Registered office:**

At S. No. 125, Nr. Kalyanpura Patia, Village Itla, Gandhinagar Mansa Road, Tal. Kalol, Dist. Gandhinagar – 382845, Gujarat, India.

**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

**For any other general matters or in case of any difficulties / grievances**

Secretarial Department  
Rushil Décor Limited  
1, Krinkal Apartment, Opp. Mahalaxmi Temple, Mahalaxmi Society, Paldi, Ahmedabad – 380 007.  
Email: ipo@rushil.com Tel No.: 079- 26622323 Fax No.: 079- 26640969

**Name of the Compliance Officer**

Shri Hasmukh K. Modi Company Secretary

**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 (“the Company”) for the year ended 31<sup>st</sup> March, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company entered into 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 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 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 **Bhagvantsingh Ghotra & Associates,**  
Company Secretaries

**(Bhagvantsingh Ghotra)**  
(Proprietor)

C.P. No. 10293

Membership No.: 28062

Place : Ahmedabad.

Date : 14.08.2013



## RUSHIL DECOR LIMITED

### 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 as required under clause 49(V) of the Listing Agreement executed with Stock Exchange(s) that in respect of the Financial Year ended on March 31, 2013:

- a) We have reviewed the financial statements and the cash flow statements for the financial year 2012-13 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 that 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 : May 07, 2013

**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 'www.virlaminate.com'. All the board Members and the Senior Management personnel have affirmed compliance with the Code of Conduct for the Financial Year 2012-13.

Place : Ahmedabad  
Date : May 07, 2013

**Krupesh G. Thakkar**  
*Managing Director*





## INDEPENDENT AUDITORS REPORT

To, The Members of  
RUSHIL DÉCOR LIMITED,

### Report on the Financial Statements

We have audited the accompanying financial statements of RUSHIL DÉCOR LIMITED ('the Company') which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (ii) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date and
- (iii) In the case of the cash flow statement, of the cash flows for the Year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report), Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section(4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. 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;
  - b. in our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books,
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account,
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 and
  - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Parikh & Majumdar**  
Chartered Accountants  
Firm Reg. No. 107525W

**[C.A (Dr) Hiten M. Parikh]**  
PARTNER  
Membership No. 040230

Place : Ahmedabad  
Date : 7<sup>th</sup> May, 2013.



**ANNEXURE TO AUDITORS' REPORT**

**The Annexure referred to in our report to the members of Rushil Décor Ltd. ("The Company") for the year ended on 31st March, 2013, We report that;**

- (i) (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) (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) (a) The Company has taken loan from Seven Parties covered in register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 1,40,65,983/- and the year-end balance of loan taken from such parties was ₹ 52,56,270/-.  
(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 weaknesses 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 complied 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 in-house 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) We have broadly reviewed the books of accounts maintained by the company in respect of products where pursuance to the rules made by the Central Government of India, the maintenance of Cost records has been prescribed u/s 209(1) clause (d) of the Companies Act 1956 and we are of the opinion that prima facie, the prescribed accounts & records have been maintained. We have however, not made a detailed examination of the records.



- (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, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. As informed to us, for the relevant financial year, Company is not liable to pay wealth tax. According to the information & explanation given to us, no undisputed amount except professional tax of ₹ 1,16,140/- in respect of aforesaid dues were outstanding as at 31<sup>st</sup> march 2013, for a period of more than six months from due date they become payable.
- b) On the basis of records produced before us, for our verification and according to the information and explanation given to us, the details of Income Tax (penalty) dues aggregating to ₹12,56,878/- that have not been deposited as on 31<sup>st</sup> March, 2013 on account of matters pending before appropriate authorities, the details of which are as under.

Sr. No.	Nature of Dues	Financial Year to which relates	From where the matter is pending	Amount (₹)
1	Income Tax (penalty)	2003-04	Commissioner of Appeal –XI, Ahmedabad	1,39,999/-
2		2004-05		4,50,292/-
3		2005-06		6,66,587/-

- (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 generally not 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) According to the information & explanations given to us, 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 company has not raised any money by way of public issue during the year.
- (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.

For **Parikh & Majumdar**  
Chartered Accountants  
Firm Reg. No. 107525W

**[C.A (Dr) Hiten M. Parikh]**  
PARTNER  
Membership No. 040230

Place : Ahmedabad  
Date : 7<sup>th</sup> May, 2013.

**RUSHIL DECOR LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2013****(Amount In ₹)**

Particulars	Note No	As at 31st March, 2013	As at 31st March, 2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	144000000	144000000
(b) Reserves and Surplus	2	574280922	545691226
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	687382344	642215869
(b) Deferred tax liabilities (Net)	4	86837633	59430033
(c) Other Long term liabilities	5	50341068	41763929
(d) Long term provisions	6	4171447	3212844
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	7	430046389	413924390
(b) Trade payables	8	485773561	415511360
(c) Other current liabilities	9	168548262	67464201
(d) Short-term provisions	10	14690857	11478159
<b>Total</b>		<b>2646072483</b>	<b>2344692011</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		1485695285	460428224
(ii) Intangible assets		537866	479115
(iii) Capital work-in-progress		3962341	898477809
(b) Non-current investments	12	87148	87148
(c) Long term loans and advances	13	30897913	41827620
(d) Other non-current assets	14	8456660	6812438
<b>(2) Current assets</b>			
(a) Inventories	15	502556961	392519328
(b) Trade receivables	16	399687110	331473655
(c) Cash and cash equivalents	17	46994666	45121372
(d) Short-term loans and advances	18	167196533	167465302
<b>Total</b>		<b>2646072483</b>	<b>2344692011</b>

Significant Accounting Policies  
Notes on Financial Statements

A  
1 to 47

As per our Report of even date  
For **Parikh & Majmudar**  
Chartered Accountants  
Firm Reg. No. 107525W

**For, and on behalf of the Board**  
**Rushil Décor Limited**

**[C.A.(Dr) Hiten M. Parikh]**  
PARTNER  
M. No. 040230

**[Ghanshyambhai A.Thakkar]**  
Chairman

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

Place : Ahmedabad  
Date : 7th May, 2013

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



## STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST MARCH, 2013

		(Amount In ₹)	
Particulars	Note No	2012- 2013	2011- 2012
<b>I. Revenue from operations</b>			
Sale of Products	19	1824336449	1548169701
Other operating revenues		95624935	58310391
Gross Revenue from Operations		<b>1919961384</b>	<b>1606480092</b>
Less: Excise duty		99709640	74702878
Revenue from operations		1820251744	1531777214
<b>II. Other Income</b>	20	14806687	12457493
<b>III. Total Revenue (I +II)</b>		<b>1835058431</b>	<b>1544234707</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	21	1156466204	966332192
Purchase of Stock-in-Trade	22	8603561	11267381
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	-34487789	41864053
Employee benefit expenses	24	94141622	59521453
Manufacturing and Other expenses	25	361195383	279126346
Financial costs	26	111665962	81454900
Depreciation and amortization expenses		51239502	25642854
<b>Total Expenses</b>		<b>1748824445</b>	<b>1465209179</b>
<b>V. Profit before exceptional and extraordinary items and tax (III - IV)</b>		86233986	79025528
<b>VI. Prior period items</b>		-	404182
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		86233986	78621346
<b>VIII. Extraordinary Items</b>		-	-
<b>IX. Profit before tax (VII - VIII)</b>		86233986	78621346
<b>X. Tax expense:</b>	27		
(1) Current tax		18566043	15756466
(2) Deferred tax		27407600	6284268
<b>XI. Profit/(Loss) for the period from continuing operations (IX-X)</b>		40260343	56580612
<b>XII. Profit/(Loss) for the year (XI)</b>		40260343	56580612
<b>XIII. Earning per equity share:</b>			
(1) Basic & diluted		2.80	4.37

Significant Accounting Policies  
Notes on Financial Statements

A  
1 to 47

As per our Report of even date  
For **Parikh & Majmudar**  
Chartered Accountants  
Firm Reg. No. 107525W

**[C.A.(Dr) Hiten M. Parikh]**  
PARTNER  
M. No. 040230

Place : Ahmedabad  
Date : 7th May, 2013

For, and on behalf of the Board  
Rushil Décor Limited

**[Ghanshyambhai A.Thakkar]**  
Chairman

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

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



## RUSHIL DECOR LIMITED

### CASH FLOW STATEMENT FOR THE YEAR 2012-13

PARTICULARS	2012-2013 (in ₹)	2012-2013 (in ₹)	2011-2012 (in ₹)	2011-2012 (in ₹)
<b>(A) Cash Flow From Operating Activities</b>				
Profit before tax		86233986		78621345
Adjustments for				
Depreciation and amortization expense	51239502		25642854	
Interest and Finance cost	111665962		81454900	
Loss on Sale of Fixed Assets	293642		50291	
Preliminary Exp., W/off (deferred, amalgamation)	337183		655090	
Dividend Income	(2400)		(2400)	
Income from Mutual Fund	-		(146259)	
		163533889		107654476
Operating Profit Before Working Capital Changes		249767875		186275821
Adjustment for Change In:				
Inventories	(109983660)		(5113182)	
Receivable	(68213455)		(68544046)	
Loans & Advances	9754047		(95039330)	
Current liabilities	73113615		(100666634)	
Provisions	1310607	(94018846)	3075511	(266287681)
		155749029		(80011860)
Income Taxes Paid	(16442181)		(22235660)	
Less : Income Tax Refund		(16442181)		(22235660)
<b>Net Cash Generated From Operations</b>		<b>139306848</b>		<b>(102247520)</b>
<b>(B) Cash flow from Investing activities</b>				
Purchase Of Fixed Assets	(184833697)		(504035017)	
Proceeds From Sale Of Fixed Assets	422500		50000	
Dividend Income	2400		2400	
Income from Mutual Fund	-		146259	
Preliminary Exp.	1124395		1152531	
<b>Net Cash Generated From Investing Activities</b>		<b>(183284402)</b>		<b>(502683827)</b>
<b>(C) Cash Flow From Financing Activities</b>				
New Shares Issued	-		56437500	
Security Premium On Newly Issued Shares	(3302627)		330449726	
Secured Loans	111455927		296335424	
Unsecured Loans	57731530		(55399612)	
Interest and Finance cost	(111665962)		(81454900)	
Dividend Paid (Including Tax On Dividend)	(8368020)		(8395830)	
<b>Net Cash Generated From Financing Activities</b>		<b>45850848</b>		<b>537972308</b>
<b>Net Increase In Cash &amp; Cash Equivalents</b>		<b>1873294</b>		<b>(66959039)</b>
<b>Cash &amp; Cash Equivalents At The Beginning Of The Period</b>		<b>45121372</b>		<b>112080411</b>
<b>Cash &amp; Cash Equivalents At The End Of The Period</b>		<b>46994666</b>		<b>45121372</b>



## CASH FLOW STATEMENT FOR THE YEAR 2012-13

Particulars	2012-2013 (in ₹)	2011-2012 (in ₹)
<b>Cash and cash equivalents :</b>		
Cash On Hand	6130651	2645112
Balances With The Banks	40864015	42476260
<b>Cash And Cash Equivalents</b>	<b>46994666</b>	<b>45121372</b>

**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 Accountants of India.

As per our Report of even date attached  
For **Parikh & Majmudar**  
*Chartered Accountants*  
Firm Reg. No. 107525W

**[C.A.(Dr) Hiten M. Parikh]**  
*PARTNER*  
M. No. 040230

Place : Ahmedabad  
Date : 7th May, 2013

**For, and on behalf of the Board**  
**Rushil Décor Limited**

**[Ghanshyambhai A.Thakkar]**  
*Chairman*

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

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

**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 Works 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 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.





## SIGNIFICANT ACCOUNTING POLICIES

### (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, if any, 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 statement of profit & loss 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.

### (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.

**SIGNIFICANT ACCOUNTING POLICIES****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 Benefits**

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.

**(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, if any, is provided in the books of accounts. Approval in the General Meeting is pending for the same.

## NOTES ON FINANCIAL STATEMENTS

NOTE NO : 1 Share Capital :	Amount (in ₹)	31.03.2013 (in ₹)	Amount (in ₹)	31.03.2012 (in ₹)
<b>Authorised :</b> 20000000 (p.y 20000000) Equity Shares of ₹ 10/- each		200000000		200000000
		200000000		200000000
<b>Issued &amp; Subscribed and Paid up :</b> 14400000 (P.Y 14400000 )Equity Shares of ₹ 10/- each fully paid up		144000000		144000000
		144000000		144000000

## 1) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	In numbers	31.03.2013 (in ₹)	In numbers	31.03.2012 (in ₹)
At the beginning of period	14400000	144000000	8756250	87562500
Issued vide Initial Public Offer	-	-	5643750	56437500
Outstanding at the end of year	14400000	144000000	14400000	144000000

## 2) Details of shares held by each shareholder holding more than 5% shares:

	As at 31 March, 2013	As at 31 March, 2013	As at 31 March, 2012	As at 31 March, 2012
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
Ghanshyambhai Ambalal Thakkar	2004113	13.92	2004113	13.92
Krupesh Ghanshyambhai Thakkar and Ghanshyambhai Ambalal Thakkar Repre. Rushil International (Partnership Firm)	1845770	12.82	1845770	12.82
Krupesh Ghanshyambhai Thakkar	1533567	10.65	1533567	10.65
Krupesh G. Thakkar Karta of Krupesh Ghanshyambhai Thakkar (HUF)	1389693	9.65	1389693	9.65

NOTE NO : 2 Reserves and Surplus :	Amount (in ₹)	31.03.2013 (in ₹)	Amount (in ₹)	31.03.2012 (in ₹)
<b>Securities Premium Account</b>				
Opening Balance	406449726		76000000	
Add : Addition during the year	-		349912500	
	406449726		425912500	
Less : Expense in connection with issue of equity shares written off (refer note no. 29)	3302627	403147099	19462774	406449726
<b>Amalgamation Reserve</b>		3300000		3300000
<b>Capital Redemption Reserve (For Redemption of Preference Share Capital)</b>		50000		50000
<b>General Reserve</b>				
Opening Balance	6087500		6087500	
Add : Transfer from Profit & Loss Account	-	6087500	-	6087500
<b>Profit &amp; Loss Account</b>				
Balance Brought Forward From Previous Year	129804000		81591409	
Add: Profit for the year	40260343		56580612	
Proposed Final Dividend on equity share (amount per share ₹ 0.50 (31st March, 2012 ₹ 0.50)	7200000		7200000	
Tax on proposed Equity Dividend	1168020	161696323	1168020	129804000
		574280922		545691226



## RUSHIL DECOR LIMITED

### NOTES ON FINANCIAL STATEMENTS

NOTE NO : 3 Long-term borrowings :	Amount (in ₹)	31.03.2013 (in ₹)	Amount (in ₹)	31.03.2012 (in ₹)
(a) Term Loan (refer note 1 below)				
From Banks				
I. Bank of Baroda (refer note 1 below)				
(a) Term Loan A/c no 01500600020468		3000000		5000000
(b) Term loan A/c no 01500600020467		130674147		156808976
(c) Term loan-iii External Commercial Borrowing (USD 63,00,000 ) (Note :1)		284855236		322285950
(d) Term loan A/c no 01500600020603		14333333		17474239
(e) Term loan A/c no 01500600020690		87500000		-
II. Allahabad Bank A/c no 50069950994 & 50004433096 & 50133442107 (refer note 2 below)		27700949		48247111
(b) Unsecured Loans from related parties				
From Directors and related parties		15041757		3334155
(c) From Others				
Vehicle Loans (refer note 3 below)		5375616		6056181
Secured loan others (refer note 4 below)		3167500		5689000
Loan from Financial Institution		4056898		11036264
Public deposit		46830489		16283993
Inter corporate loans		64846419		50000000
		687382344		642215869

**Note:1**

**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 equitable 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) plot situated at Lati Bazar, Ahmedabad in the name of Ghanshyam Thakkar e) Pledge of fixed deposit of ₹ 0.73 crore f) Pledge of fixed deposit of ₹ 0.20 crore and also secured by way of personal guarantee of Ghanshyam Thakkar and Krupesh Thakkar.

**Term of Repayment**

Particulars	Repayment Schedule															
Term loan A/C NO. 01500600020468	20 quarterly instalments 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. The repayment was proposed to start after 33 months (including moratorium period of 15 months from the date of first disbursement)															
ECB TERM LOAN	24 quarterly installments (24 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 interest is to be served on monthly basis.															
Term loan A/C NO. 01500600020690	Term loan is to be repaid in 8 quarterly installments after completion of moratorium period of 12 months from the date of first disbursement in <b>ballooning method</b> as under. The interest is to be served on monthly basis.															
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>No. of installments</th> <th>Amt. of each installments (₹ in lacs)</th> <th>Total (₹ in lacs)</th> </tr> </thead> <tbody> <tr> <td>1 &amp; 2</td> <td style="text-align: center;">62.50</td> <td style="text-align: center;">125.00</td> </tr> <tr> <td>3, 4, 5 &amp; 6</td> <td style="text-align: center;">93.75</td> <td style="text-align: center;">375.00</td> </tr> <tr> <td>7 &amp; 8</td> <td style="text-align: center;">250.00</td> <td style="text-align: center;">500.00</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;"><b>1000.00</b></td> </tr> </tbody> </table>	No. of installments	Amt. of each installments (₹ in lacs)	Total (₹ in lacs)	1 & 2	62.50	125.00	3, 4, 5 & 6	93.75	375.00	7 & 8	250.00	500.00			<b>1000.00</b>
No. of installments	Amt. of each installments (₹ in lacs)	Total (₹ in lacs)														
1 & 2	62.50	125.00														
3, 4, 5 & 6	93.75	375.00														
7 & 8	250.00	500.00														
		<b>1000.00</b>														

## NOTES ON FINANCIAL STATEMENTS

## Note:2

## 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 finance 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 personal guarantee of Krupeshbhai G. Thakkar and Ghanshyambhai A. Thakkar.

## Term of Repayment

Particulars	Repayment Schedule
Term loan A/C No.50004433096	20 quarterly installments of ₹ 55.55 lacs each. Interest will be served on monthly basis.
Term loan A/C No.50069950994	20 quarterly installments of ₹ 10.00 lacs each starting after 12 months from the date of first disbursement. Interest shall be served on monthly basis.
Term loan A/C No.50133442107	20 quarterly installments of ₹ 7.50 lacs each after moratorium period of 1 year from the date of first disbursement. Interest shall be served on monthly basis.

**Note :3** Secured by hypothication on vehicle purchased under hire purchase agreements.

**Note :4** Secured against pledge of keyman Insurance policies of directors.

NOTE NO : 4 Deferred tax liabilities (Net) :	Amount (in ₹)	31.03.2013 (in ₹)	Amount (in ₹)	31.03.2012 (in ₹)
Deferred tax liabilities (Net)		86837633		59430033
		86837633		59430033

NOTE NO : 5 Other Long term liabilities :	Amount (in ₹)	31.03.2013 (in ₹)	Amount (in ₹)	31.03.2012 (in ₹)
(a) Trade Deposit		34024082		26248226
(b) Others				
Creditors for capital goods		16316986		15515703
		50341068		41763929

NOTE NO : 6 Long term provisions :	Amount (in ₹)	31.03.2013 (in ₹)	Amount (in ₹)	31.03.2012 (in ₹)
(a) Provision for Gratuity		4171447		3212844
		4171447		3212844

NOTE NO : 7 Short-term borrowings :	Amount (in ₹)	31.03.2013 (in ₹)	Amount (in ₹)	31.03.2012 (in ₹)
(a) Loans repayable on demand				
<b>Working Capital From Banks</b>				
Bank of Baroda - Cash Credit Loans (refer note.1)		149031957		136454802
Bank of Baroda - Packing Credit (refer note no.1)		212940000		204355983
Bank of Baroda - Packing Credit (Foreign currency) (refer note no.1)		20355000		-
Bank of Baroda - Foreign Bills Purchase (refer note.1)		-		36636985
Allahabad Bank - Cash Credit Loans (refer note.2)		47140456		35582566
Bank of Baroda Export A/c-01500200000602 (refer note no.1)		431158		894054
Bank of Baroda Export A/c-09230200000156 (refer note no.1)		147818		-
		430046389		413924390



NOTES ON FINANCIAL STATEMENTS

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 equitable 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) plot situated at lati bazar, ahmedabad in the name of Ghanshyam Thakkar e) Pledge of fixed deposit of ₹ 0.73 crore f) Pledge of fixed deposit of ₹ 0.20 crore and also secured by way of personal guarantee of Ghanshyam Thakkar and Krupesh 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 finance 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 personal guarantee of Krupeshbhai G. Thakkar and Ghanshyambhai A. Thakkar.

NOTE NO : 8 Trade payables :	Amount (in ₹)	31.03.2013 (in ₹)	Amount (in ₹)	31.03.2012 (in ₹)
Trade payables		485773561		415511360
		485773561		415511360

NOTE NO : 9 Other Current Liabilities :	Amount (in ₹)	31.03.2013 (in ₹)	Amount (in ₹)	31.03.2012 (in ₹)
(a) Current maturities of long-term debt;		152633104		52825054
(b) Interest accrued and due on borrowings;		707203		880939
(c) Other payables				
Advance from customers		7675440		8761083
Duties and taxes		5661448		2210597
Provision for expenses		1871067		2786528
		168548262		67464201

NOTE NO : 10 Short Term Provisions:	Amount (in ₹)	31.03.2013 (in ₹)	Amount (in ₹)	31.03.2012 (in ₹)
<b>Provision of Income tax (Net of Advance Tax &amp; TDS)</b>				
Income Tax for 2012 - 2013	3486361		-	
Income Tax for 2011 - 2012	-	3486361	1702635	1702635
Wealth Tax for 2011-2012		-		12229
Provision for Dividend		7200000		7200000
Tax on Proposed Dividend		1168020		1168020
Provision for employee benefit		2836476		1395275
		14690857		11478159

## NOTES ON FINANCIAL STATEMENTS

## FIXED ASSETS

NOTE - 11

Sr. No.	Assets	Gross Block				Depreciation				Net Block			
		Balance as on 1.04.2012	Addition during the year	Deduction during the year	Transfer Written off during the year	Closing Balance as on 31.03.2013	Balance as on 1.04.2012	Addition during the year	Deduction during the year	Transfer Written off during the year	Closing Balance as on 31.03.2013	As on 31.03.2012	As on 31.03.2013
(i)	<b>Tangible assets</b>												
1	Land	10258823	-	-	-	10258823	-	-	-	-	-	10258823	10258823
2	Leasehold Land	12718166	-	-	-	12718166	-	-	-	-	-	12718166	12718166
3	Building	105526302	342100121	-	-	447626423	14681601	9966348	-	24647949	422978474	90844701	90844701
4	Plant & Machinery	424205195	723161448	531926	-	1146834717	97634428	34401526	230011	131805943	1015028774	326570767	326570767
5	Computer & Accessories	4373887	1327104	-	-	5700991	3972353	574496	-	4546849	1154142	401534	401534
6	Vehicles	21939555	5269497	976600	-	26232452	6064343	2255244	532404	7787183	18445269	15875212	15875212
7	Furniture & Fixture	5588908	1767830	-	-	7356738	1829887	415214	-	2245101	5111637	3759021	3759021
	<b>Total tangible assets</b>	<b>584610836</b>	<b>1073626000</b>	<b>1508526</b>	<b>-</b>	<b>1656728310</b>	<b>124182612</b>	<b>47612828</b>	<b>762415</b>	<b>171033025</b>	<b>1485695285</b>	<b>460428224</b>	<b>460428224</b>
(ii)	Intangible assets	479115	462406	-	403655	537866	-	-	-	-	537866	479115	479115
(iii)	Capital work in progress	898477809	198289817	-	1092805285	3962341	-	-	-	-	3962341	898477809	898477809
	<b>Total (i + ii + iii)</b>	<b>1483567760</b>	<b>1272378223</b>	<b>1508526</b>	<b>1093208940</b>	<b>1661228517</b>	<b>124182612</b>	<b>47612828</b>	<b>762415</b>	<b>171033025</b>	<b>1490195492</b>	<b>1359385148</b>	<b>1359385148</b>
	Previous Year's Total	981659029	502469905	250000	311174	1483567760	98930641	25331680	79709	124182612	1359385148	882728388	882728388



## RUSHIL DECOR LIMITED

### NOTES ON FINANCIAL STATEMENTS

NOTE NO : 12 Non-current investments :	Amount (in ₹)	31.03.2013 (in ₹)	Amount (in ₹)	31.03.2012 (in ₹)
(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 given to prohibition dept.		57148		57148
		87148		87148

NOTE NO : 13 Long Term Loan and Advances :	Amount (in ₹)	31.03.2013 (in ₹)	Amount (in ₹)	31.03.2012 (in ₹)
(a) Advance for Capital goods		9711330		21773322
(b) Security Deposit Unsecured, considered good		19692806		18560521
(c) Other Loan and advances Unsecured, considered good		1493777		1493777
		30897913		41827620

NOTE NO : 14 Other non-current assets :	Amount (in ₹)	31.03.2013 (in ₹)	Amount (in ₹)	31.03.2012 (in ₹)
(a) Advance receivable in cash or in kind for value to be received - Due from officers		2368723		924295
(b) Others Plantation Miscellaneous expenditure to the extent not written off or adjusted		6087937 -		4426565 1461578
		8456660		6812438

NOTE NO : 15 Inventories : (As taken, valued & certified by a director)	Amount (in ₹)	31.03.2013 (in ₹)	Amount (in ₹)	31.03.2012 (in ₹)
(a) Raw Materials		232370002		171879822
(b) Work in progress		37450142		39914467
(c) Finished goods (includes stock lying with third parties ₹ 8,58,84,811/- and ₹ 7,74,05,091/- (p.y.))		208979001		172026887
(d) Stores and spares		23464980		8312948
(e) Power & Fuel		292836		385204
		502556961		392519328

NOTE NO : 16 Trade receivables :	Amount (in ₹)	31.03.2013 (in ₹)	Amount (in ₹)	31.03.2012 (in ₹)
(i) Outstanding for a period exceeding six months un Secured, considered good		26490460		17931916
(ii) Others un Secured, considered good		373196650		313541739
		399687110		331473655



## NOTES ON FINANCIAL STATEMENTS

NOTE NO : 17 Cash and cash equivalents	Amount (in ₹)	31.03.2013 (in ₹)	Amount (in ₹)	31.03.2012 (in ₹)
(a) Balances with banks				
On current Account		4215362		5601604
In Fixed Deposit/Margin money account		36648653		36874656
(b) Cash on hand		6130651		2645112
		46994666		45121372
NOTE NO : 18 Short-term loans and advances :	Amount (in ₹)	31.03.2013 (in ₹)	Amount (in ₹)	31.03.2012 (in ₹)
(a) Other Loan and advances				
Balance in Excise, Custom & Service Tax		30336902		31322608
Advance Income Tax & TDS		1450868		1791910
Licence & Licence Receivables		46795389		28080363
Advance to Suppliers		13058626		10847076
Prepaid Expenses		1504396		1716419
Inter corporate deposits		58652853		69821590
Other Advances		15397499		23885336
		167196533		167465302
NOTE NO : 19 Revenue from operations	Amount (in ₹)	31.03.2013 (in ₹)	Amount (in ₹)	31.03.2012 (in ₹)
<b>A. Sale of Products</b>				
Direct Export Turnover		883211763		731377334
Deemed Export Turnover		98234375		57265771
Domestic Turnover		842890311		759526596
Gross Turnover		1824336449		1548169701
Less : Excise Duty		99709640		74702878
<b>Net Turnover</b>		<b>1724626809</b>		<b>1473466823</b>
<b>B. Other Revenue from operations</b>		<b>95624935</b>		<b>58310391</b>
Total Revenue from operations		<b>1820251744</b>		<b>1531777214</b>
Details of product sold (net)	Amount (in ₹)	31.03.2013 (in ₹)	Amount (in ₹)	31.03.2012 (in ₹)
- Decorative laminate sheet		1447622738		1267270712
- Particle Board		126729312		194344517
- Medium Density Fiber Board		140821246		-
- Trading				
Base Paper	5243684		780946	
Kraft Paper	673513		-	
Phenol	-		11070648	
TG Urea	3328316		-	
Melamine Formaldehyde Resin	208000	9453513	-	11851594
<b>Total</b>		<b>1724626809</b>		<b>1473466823</b>
Other operating revenue as under		31.03.2013 (in ₹)		31.03.2012 (in ₹)
- Licence due income		81690648		47177996
- Insurance claim received		27480		983333
- Export incentive		13906807		10149062
<b>Total</b>		<b>95624935</b>		<b>58310391</b>



## RUSHIL DECOR LIMITED

### NOTES ON FINANCIAL STATEMENTS

NOTE NO : 20 Other Income :	Amount (in ₹)	31.03.2013 (in ₹)	Amount (in ₹)	31.03.2012 (in ₹)
Dividend		2400		2400
Income From Mutual Fund		-		146,259
Foreign Exchange Gain		3055060		-
Interest Income (TDS ₹ 7,13,639/- and P.Y. ₹ 9,41,602/-)		9187227		10488834
Keyman policy maturity amount		2562000		1,820,000
		14806687		12457493

NOTE NO : 21 Cost of Material:	Amount (in ₹)	31.03.2013 (in ₹)	Amount (in ₹)	31.03.2012 (in ₹)
<b>Raw Material Consumed:</b>				
Opening Stock of Raw Material	171879822		124674062	
<b>Add :</b> Purchases (Net of Excise, Discount Rate Diff. & Material for Resale ₹ 86,03,561/- previous year ₹ 1,12,67,381/-)	1089778644		929913141	
Freight, Octroi, and Clearing & Forwarding	69816368		39195926	
C.V.D., Other Duty & Licence Use	57361372		44428885	
	1388836206		1138212014	
Less : Closing Stock of Raw Material	232370002		171879822	
		1156466204		966332192

Details of raw material and its components	31.03.2013 (in ₹)	31.03.2012 (in ₹)
BASE PAPER	274872315	239369545
KRAFT PAPER	275276104	228955909
PHENOL	158393320	149296899
METHANOL	34837591	28106358
FORMALDEHYDE	82667513	58832369
MELAMINE	73145567	67848961
UF RESIN	42659844	58298406
MALESIYAN PINE	16568706	17325890
COTTON STALK	850054	4034626
FIRE WOOD WASTE	422227	1782696
BAGGASE	11262861	87499
WOOD	68191626	-
AMINO RESINS	28848891	-
OTHERS	88469585	112393034
<b>Total</b>	<b>1156466204</b>	<b>966332192</b>

NOTE NO : 22 Purchase of Stock-in-Trade	31.03.2013 (in ₹)	31.03.2012 (in ₹)
Base Paper	4749000	785631
Kraft Paper	632641	-
Phenol	-	10481750
TG Urea	3013920	-
Melamine Formaldehyde Resin	208000	-
<b>Total</b>	<b>8603561</b>	<b>11267381</b>

## NOTES ON FINANCIAL STATEMENTS

NOTE NO : 23 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	Amount (in ₹)	31.03.2013 (in ₹)	Amount (in ₹)	31.03.2012 (in ₹)
<b>Opening Stock</b>				
Finished Goods	172026887		206041105	
Stock-in-Progress	39914467		47764302	
	211941354		253805407	
<b>Less : Closing Stock</b>				
Finished Goods	208979001		172026887	
Stock-in-Progress	37450142		39914467	
	246429143		211941354	
Increase/(Decrease) in Stock of Finished Goods & Stock-in-Progress		-34487789		41864053
<b>Details of Finished Goods</b>		<b>31.03.2013 (in ₹)</b>		<b>31.03.2012 (in ₹)</b>
- Decorative laminate sheet		159457775		157397024
- Particle Board		25623387		14629863
- Medium Density Fiber Board		23897839		-
<b>Total</b>		<b>208979001</b>		<b>172026887</b>
<b>NOTE NO : 24 Employee benefits expenses</b>	<b>Amount (in ₹)</b>	<b>31.03.2013 (in ₹)</b>	<b>Amount (in ₹)</b>	<b>31.03.2012 (in ₹)</b>
Salary & Bonus		91771526		57785456
Contribution to Provident Fund etc.		2370096		1735997
		94141622		59521453



## RUSHIL DECOR LIMITED

### NOTES ON FINANCIAL STATEMENTS

NOTE NO : 25 Manufacturing /Other expenses	Amount (in ₹)	31.03.2013 (in ₹)	Amount (in ₹)	31.03.2012 (in ₹)
<u>Stores &amp; Spares Consumed :</u>				
Opening Stock	8312948		7943344	
Add : Purchases	41039948		19492389	
	49352896		27435733	
Less: Closing Stock	23464980	25887916	8312948	19122785
Commission on Imports		1119920		1144542
Central Excise Duty Expenses		222116		473756
Jobwork Charges		8709212		9025144
<u>Power &amp; Fuel Consumed :</u>				
Opening Stock	385204		-	
Add : Purchases	108590614		70500639	
	108975818		70500639	
Less: Closing Stock	292836	108682982	385204	70115435
<u>Repairs &amp; Maintenance :</u>				
Machinery	2842596		3252102	
Building	417630		330894	
Others	10971	3271197	155125	3738121
Wages		32228543		25636305
Transport Charges		975215		654263
Factory Expenses		9631915		4145751
Advertisement Expenses		1099985		905760
Audit Fees		375000		375000
Bad Debts		-		290876
Sales Commission		35060762		35163300
Computer Maintenance Expenses		1095056		563314
Donation		606644		1398906
General/ Miscellaneous Expenses		4898253		2983049
Insurance Expenses		2451888		2188757
Legal & Professional Charges		7327906		5594573
Loss on Sale of Fixed Assets		293642		50291
Postage and Telephone Expenses		2152405		2109057
Preliminary Expenses Written Off		337183		655090
Printing and Stationary Expenses		1545867		1250964
Rent, Rate and Taxes		1975785		1150605
Selling Expenses		95495770		80115764
Travelling, Conveyance and Vehicle Expenses		15750221		10274938
		<b>361195383</b>		<b>279126346</b>

NOTE NO : 26 Financial costs	Amount (in ₹)	31.03.2013 (in ₹)	Amount (in ₹)	31.03.2012 (in ₹)
Interest on Cash Credit		50187081		46586988
Interest on Term Loan		41004968		13058037
Interest to Depositors		5036980		3713328
Interest to Financial Institution		8597659		8330881
Other Financial Charges		6839274		7430955
Foreign Exchange Fluctuation		-		2334711
		111665962		81454900

## NOTES ON FINANCIAL STATEMENTS

NOTE NO : 27 Provision For Taxation :	Amount (in ₹)	31.03.2013 (in ₹)	Amount (in ₹)	31.03.2012 (in ₹)
Current Tax		18566043		15744237
Wealth Tax		-		12229
Total Tax provision		18566043		15756466

**28. Capital Commitments and Contingent Liabilities:****a. Contingent liabilities :**

PARTICULARS	As At 31st March, 2013 (in ₹)	As At 31st March, 2012 (in ₹)
Corporate Guarantee given by the company for loan taken by Vertex Laminate Pvt. Ltd.	NIL	20055357
Outstanding Letter of Credit	28221500	16759603
Disputed Income Tax Demand - Matter under Appeal	1256878	NIL
Disputed Custom Duty	770000	770000

**b. Commitments:**

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

29. The expenses in connection with the issue of equity shares amounting to ₹ 33,02,627/- has been adjusted against Security Premium account.

**30. Financial and derivative instruments**

Derivative Contracts entered into by the company and outstanding as at March 31, 2013.

**(a) For hedging currency**

PARTICULARS	As At 31st March, 2013 (in ₹)	As At 31st March, 2012 (in ₹)
Outstanding Forward Contract	Nil	2,51,51,000

**(b) 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)	Indian Currency (in lacs)	Foreign Currency (in Millions)	Indian Currency (in lacs)
31-03-2013	3.775027 USD	₹ 2049.08	3.435862 USD 0.414975 Euro 21.367626 JPY	₹ 2277.20
31-03-2012	1.500419 USD	₹ 767.56	3.597858 USD 0.203966 Euro 11.341519 JPY	₹ 2050.73

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



NOTES ON FINANCIAL STATEMENTS

32. Auditors Remuneration :

Particulars	2012-2013 (in ₹)	2011-2012 (in ₹)
As an Auditor	4,21,350	4,13,625
For Taxation & Other matters	—	—
For Other capacity		
Certification	8,427	—
Total	4,29,777	4,13,625
Less: Service Tax Credit taken/to be taken	47,277	38,625
<b>Total</b>	<b>3,82,500</b>	<b>3,75,000</b>

33. Balances of Unsecured Loans, Trade Receivables, Payables and Loans and Advances are subject to Confirmation.

34. Segment Reporting:

*Primary*

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

**Segment wise Revenue, Results and capital employed**

Primary business segments – Revenue by nature of products:

Details	2012-13			2011-12		
	Sq. Mtr.	Nos	Amount (in ₹)	Sq. Mtr.	Nos	Amount (in ₹)
Decorative Laminated Sheets	N.A.	2862338	1447622738(*)	N.A.	2717264	1267270712(*)
Particle Board	934298.448	313860	126729312	1261410.07	423747	194344517
Medium Density Fiber Board	626232.393	210371	140821246	-	-	-
Total	1560530.841	3386569	1715173296	1261410.07	3141011	1461615229

(\*) Does not include trading Sales of ₹ 94,53,513/- (Previous year ₹ 1,18,51,594/-)

Revenue by geographical regions

(i) Decorative Laminated Sheets

Details	2012-13		2011-12	
	Nos.	Amount (in ₹)	Nos.	Amount (in ₹)
India	1054738	574645439(*)	1194200	546325787(*)
Outside India	1807600	872977299	1523064	720944925
<b>Total</b>	<b>2862338</b>	<b>1447622738</b>	<b>2717264</b>	<b>1267270712</b>

(\*) Does not include Trading sales of ₹ 94,53,513/- (Previous year ₹ 1,18,51,594/-)

## NOTES ON FINANCIAL STATEMENTS

## (ii) Plain Particle Board

Details	2012-13			2011-12		
	Sq. Mtr.	Nos	Amount (in ₹)	Sq. Mtr.	Nos	Amount (in ₹)
India	934298.448	313860	126729312	1261410.07	423747	194344517
Outside India	-	-	-	-	-	-
<b>Total</b>	<b>934298.448</b>	<b>313860</b>	<b>126729312</b>	<b>1261410.07</b>	<b>423747</b>	<b>194344517</b>

## (iii) Medium Density Fiber Board

Details	2012-13			2011-12		
	Sq. Mtr.	Nos	Amount (in ₹)	Sq. Mtr.	Nos	Amount (in ₹)
India	626232.393	210371	140821246	-	-	-
Outside India	-	-	-	-	-	-
<b>Total</b>	<b>626232.393</b>	<b>210371</b>	<b>140821246</b>	-	-	-

## Segmentwise Revenue, Results and Capital Employed

(Amount in ₹)

Sr. No	Particulars	Year ended on 31.3.2013	Year ended on 31.3.2012
1	<b>Segment Revenue</b>		
a	Laminates & allied products	1457946618	1284505804
b	Particle Board	127974375	194934457
c	Medium Density Fiber Board	140821246	Nil
	Total	1726742239	1479440261
	Less: Inter segment revenue	2115430	5973438
	Sales	1724626809	1473466823
2	<b>Segment Results</b>		
	Profit before Interest and Tax:		
a	Laminates & allied products	247316443	148847058
b	Particle Board	-5407425	28561410
c	Medium Density Fiber Board	-27511216	Nil
	Total	214397802	177408468
	<b>Less:</b>		
i	Interest	111665962	81454900
ii	Other Unallocable expenditure	16497854	17332222
	Total Profit Before Tax	86233986	78621346
3	<b>Capital employed</b>		
a	Laminates	289526938	284797331
b	Particle Board	231883696	204373733
c	Medium Density Fiber Board	1036713497	Nil
d	Unallocated	-10403513	971748372
	Total	1547720618	1460919436



NOTES ON FINANCIAL STATEMENTS

35. 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 Ghanshyam Ply Palace Vir Studdio Pvt. Ltd.
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 Alka G. Thakkar Ambalal D. Thakkar HUF Aditi V. Thakkar Dhara V. Thakkar Dhvanil V. Thakkar

(Amount In ₹)

Nature of Transaction	Associate Companies/ Enterprises		Key Management Personnel & Relatives of such Personnel		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>(A) Volume of Transactions</b>						
<b>1) Sales of Goods</b>						
Rushil International	477889	-	-	-	477889	-
Vertex Laminate Pvt. Ltd.	17357704	-	-	-	17357704	-
Shri Krupa Decorative Veneer Pvt. Ltd.	44527	107370	-	-	44527	107370
Vir Studdio Pvt. Ltd.	273914	-	-	-	273914	-
Ghanshyam Sales Corporation	51	-	-	-	51	-
Ghanshyam Ply Palace	680266	-	-	-	680266	-
<b>2) Goods Purchased</b>						
Vertex Laminate Pvt. Ltd.	2185102	16954708	-	-	2185102	16954708
Shri Krupa Decorative Veneer Pvt. Ltd.	114620	-	-	-	114620	-



## NOTES ON FINANCIAL STATEMENTS

(Amount In ₹)

Nature of Transaction	Associate Companies/ Enterprises		Key Management Personnel & Relatives of such Personnel		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>3) Capital Goods Purchased</b>						
Decoply Agency	-	24283	-	-	-	24283
<b>4) Capital Goods Sales</b>						
Vertex Laminate Pvt. Ltd.	19910	-	-	-	19910	-
<b>5) Loan Taken/Granted</b>						
i) Ghanshyambhai Thakkar - HUF						
Loan taken	-	-	232691	300000	232691	300000
Loan repaid	-	-	140000	182000	140000	182000
Balance at 31st March	-	-	323888	197843	323888	197843
Balance at 1st April	-	-	197843	68410	197843	68410
ii) Alka G. Thakkar						
Loan taken	-	-	-	1680900	-	1680900
Loan repaid	-	-	-	-	-	-
Balance at 31st March	-	-	1680900	1680900	1680900	1680900
Balance at 1st April	-	-	1680900	-	1680900	-
iii) Ambalal D. Thakkar - HUF						
Loan taken	-	-	216928	553000	216928	553000
Loan repaid	-	-	319092	333000	319092	333000
Balance at 31st March	-	-	432834	484287	432834	484287
Balance at 1st April	-	-	484287	230746	484287	230746
iv) Aditi V Thakkar						
Loan taken	-	-	1111600	-	1111600	-
Loan repaid	-	-	-	-	-	-
Balance at 31st March	-	-	1171975	60375	1171975	60375
Balance at 1st April	-	-	60375	60375	60375	60375
v) Dhara V Thakkar						
Loan taken	-	-	-	-	-	-
Loan repaid	-	-	-	-	-	-
Balance at 31st March	-	-	60375	60375	60375	60375
Balance at 1st April	-	-	60375	60375	60375	60375
vi) Dhvanil V Thakkar						
Loan taken	-	-	-	-	-	-
Loan repaid	-	-	-	-	-	-
Balance at 31st March	-	-	60375	60439	60375	60439
Balance at 1st April	-	-	60375	60439	60375	60439



## RUSHIL DECOR LIMITED

### NOTES ON FINANCIAL STATEMENTS

(Amount In ₹)

Nature of Transaction	Associate Companies/ Enterprises		Key Management Personnel & Relatives of such Personnel		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
vii) Krupeshbhai G. Thakkar - HUF						
Loan taken	-	-	694847	235000	694847	235000
Loan repaid	-	-	100000	227500	100000	227500
Balance at 31st March	-	-	649658	12000	649658	12000
Balance at 1st April	-	-	12000	-	12000	-
viii) Saraswatiben Thakkar						
Loan taken	-	-	204262	300000	204262	300000
Loan repaid	-	-	115000	100000	115000	100000
Balance at 31st March	-	-	526362	389563	526362	389563
Balance at 1st April	-	-	389563	165140	389563	165140
ix) Smt.Dinuben G. Thakkar						
Loan taken	-	-	660044	2790000	660044	2790000
Loan repaid	-	-	591270	2927870	591270	2927870
Balance at 31st March	-	-	146261	52925	146261	52925
Balance at 1st April	-	-	52925	140460	52925	140460
x) Krupaben K. Thakkar						
Loan taken	-	-	654590	3175822	654590	3175822
Loan repaid	-	-	39285	3766217	39285	3766217
Balance at 31st March	-	-	1000000	323616	1000000	323616
Balance at 1st April	-	-	323616	864801	323616	864801
xi) Rushil K. Thakkar						
Loan taken	-	-	10796	135000	10796	135000
Loan repaid	-	-	63141	194121	63141	194121
Balance at 31st March	-	-	3328	53007	3328	53007
Balance at 1st April	-	-	53007	100500	53007	100500
xii) Krupeshbhai G Thakkar						
Loan taken	-	-	5456104	1628811	5456104	1628811
Loan repaid	-	-	4162935	34368239	4162935	34368239
Balance at 31st March	-	-	1587529	208214	1587529	208214
Balance at 1st April	-	-	208214	32858046	208214	32858046
xiii) Ghanshyambhai A Thakkar						
Loan taken	-	-	11525592	2264711	11525592	2264711
Loan repaid	-	-	1583093	30642213	1583093	30642213
Balance at 31st March	-	-	10232635	54637	10232635	54637
Balance at 1st April	-	-	54637	28557727	54637	28557727

## NOTES ON FINANCIAL STATEMENTS

(Amount In ₹)

Nature of Transaction	Associate Companies/ Enterprises		Key Management Personnel & Relatives of such Personnel		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
xiv) Vir Studdio Pvt. Ltd.						
Loan taken	10555000	-	-	-	10555000	-
Loan repaid	8834998	-	-	-	8834998	-
Balance at 31st March	1846419	-	-	-	1846419	-
Balance at 1st April	-	-	-	-	-	-
<b>6) Managerial Remuneration</b>						
Ghanshyambhai Thakkar	-	-	3261655	2100000	3261655	2100000
Krupeshbhai G. Thakkar	-	-	3263867	2089380	3263867	2089380
<b>7) Dividend Paid</b>						
Ghanshyambhai Thakkar	-	-	1463499	1462488	1463499	1462488
Ghanshyambhai Thakkar HUF	-	-	192691	192692	192691	192692
Krupeshbhai G. Thakkar	-	-	1228226	1228227	1228226	1228227
Krupeshbhai Thakkar HUF	-	-	694847	694847	694847	694847
Saraswatiben N. Thakkar	-	-	104262	104262	104262	104262
Smt. Dinuben G. Thakkar	-	-	118838	118838	118838	118838
Krupaben K. Thakkar	-	-	197590	197590	197590	197590
<b>8) Interest Expenses</b>						
Ghanshyambhai Thakkar HUF	-	-	33354	11433	33354	11433
Krupeshbhai G. Thakkar	-	-	86146	89596	86146	89596
Krupeshbhai Thakkar HUF	-	-	42811	4500	42811	4500
Saraswatiben N. Thakkar	-	-	47538	24423	47538	24423
Smt. Dinuben G. Thakkar	-	-	24562	50335	24562	50335
Krupaben K. Thakkar	-	-	61079	49210	61079	49210
Rushil K. Thakkar	-	-	2666	11628	2666	11628
Ghanshyambhai Thakkar	-	-	235499	117882	235499	117882
Vir Studdio Pvt. Ltd.	140463	-	-	-	140463	-
<b>9) Interest Income</b>						
Shri Krupa Decorative Veneer Pvt. Ltd.	102608	-	-	-	102608	-
<b>10) Corporate Gurantee Given By Company</b>						
Vertex Laminate Pvt. Ltd.	-	20055357	-	-	-	20055357
Balance as at 31st March	-	20055357	-	-	-	20055357



NOTES ON FINANCIAL STATEMENTS

(Amount In ₹)

Nature of Transaction	Associate Companies/ Enterprises		Key Management Personnel & Relatives of such Personnel		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>11) Equity Contribution</b>						
Ghanshyambhai A. Thakkar	-	-	-	870000	-	870000
Krupeshbhai G. Thakkar	-	-	-	1567500	-	1567500
<b>12) Salary to Key Management Personal</b>						
Krupaben K. Thakkar	-	-	2767476	1189346	2767476	1189346
Keyurbhai Gajjar	-	-	1992028	1769080	1992028	1769080
<b>(B) Balance at the end of the period</b>						
1) Current Liabilities	-	-	-	-	-	-
Vertex Laminate Pvt. Ltd.	-	16423180	-	-	-	16423180

**36. Disclosures Regarding Employee Benefits**

As per Accounting Standard 15 "Employee Benefits" the disclosures are given below :

Defined Contribution Plan

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

Particulars	2012-2013 (in ₹)	2011-2012 (in ₹)
Employers contribution to provident fund	23,70,096/-	17,35,997/-

(i) Defined Contribution Plan: Employee benefits in the form of Provident Fund 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 benefits 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 31<sup>st</sup> March, 2013 amounted to ₹ 41,71,447/- (Previous year ₹ 32,12,844/-)

(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 details are 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 ON FINANCIAL STATEMENTS

## 37. Earnings Per Share [EPS] :

Earnings Per Share has been computed as under :

Particulars	For the Year ended 31-03-2013 (₹) 12 months	For the Year ended 31-03-2012 (₹) 12 months
a) Profit after tax as per Profit & Loss Account	40260343	56580612
b) Weighted average number of Equity Shares	14400000	12946541
c) Nominal Value of Equity Shares	10	10
d) Earning per share: (Basic & Diluted) Annualized	2.80	4.37

38. 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.

39. Inventories are as taken, valued and certified by the management.

## 40. Deferred Tax Assets/(Liability)

The breakup of Deferred Tax as at 31.03.2013 is as under.

(Amt in ₹)

PARTICULARS	Amount (As on 31/03/2013)	Amount (As on 31/03/2012)
<b>DEFERRED TAX LIABILITIES.</b>		
- Depreciation Difference	13,33,82,654	5,31,45,765
- Others	62,84,268	62,84,268
<b>DEFERRED TAX ASSETS.</b>		
- Unabsorbed Depreciation & Business Loss	(5,28,29,289)	Nil
<b>NET DEFERRED TAX LIABILITY</b>	<b>8,68,37,633</b>	<b>5,94,30,033</b>

41. 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.

## 42. (a) Consumption of Raw Materials in terms of Value and Percentage :

Sr.No.	Particulars	2012-13		2011-12	
		Value in ₹	%	Value in ₹	%
i)	Imported	675613044	58.42	518434011	53.65
ii)	Indigenous	480853160	41.58	447898181	46.35
	<b>TOTAL</b>	<b>1156466204</b>	<b>100.00</b>	<b>966332192</b>	<b>100.00</b>

## (b) Consumption of stores and spares in terms of Value and Percentage:

Sr.No.	Particulars	2012-13		2011-12	
		Value in ₹	%	Value in ₹	%
i)	Imported	2618334	10.11	0	0
ii)	Indigenous	23269582	89.89	19122785	100.00
	<b>TOTAL</b>	<b>25887916</b>	<b>100.00</b>	<b>19122785</b>	<b>100.00</b>

**RUSHIL DECOR LIMITED****NOTES ON FINANCIAL STATEMENTS****(c) Trading goods**

Sr.No.	Particulars	2012-13		2011-12	
		Value in ₹	%	Value in ₹	%
i)	Imported	-	-	-	-
ii)	Indigenous	8603561	100.00	11267381	100.00
	<b>TOTAL</b>	<b>8603561</b>	<b>100.00</b>	<b>11267381</b>	<b>100.00</b>

**43. Particulars of Power and Fuel Cost**

Sr. No.	Particulars	2012-2013 (in ₹)	2011-2012 (in ₹)
1	Electricity	80170456	42184818
2	Firewood	1056800	6605997
3	Lignite & Coal	25284984	19515780
4	Diesel Expense	2170742	1808840
	<b>Total</b>	<b>108682982</b>	<b>70115435</b>

**44. CIF VALUE OF IMPORTS**

Sr. No.	Particulars	2012-2013 (in ₹)	2011-2012 (in ₹)
i)	Raw Material	32,90,70,654	33,32,29,415
ii)	Capital Goods	1,85,19,074	15,56,63,185

**45. Expenditure in Foreign Currency**

Sr. No.	Particulars	2012-2013 (in ₹)	2011-2012 (in ₹)
i)	Travelling Expenses	1,10,366	4,32,036
ii)	Exhibition Expenses	Nil	13,00,801
iii)	Bank charges, Interest & Commission	2,75,57,033	2,15,85,820
iv)	Consultancy Charges	1,01,686	89,955
v)	Stores Purchase	26,18,334	Nil

**46. Earning in Foreign Exchange****(Amount in ₹)**

		2012-13	2011-12
-	FOB Value of exports	85,52,30,333	70,95,06,217

47. 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.

**Significant accounting policies - A**  
**Notes on Financial Statements 1 to 47**

For **Parikh & Majmudar**  
Chartered Accountants  
Firm Reg. No. 107525W

For and on behalf of the Board  
**Rushil Décor Limited**

**[C.A.(Dr) Hiten M. Parikh]**  
PARTNER  
M. No. 040230

**[Ghanshyambhai A.Thakkar]**  
*Chairman*

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

Place : Ahmedabad  
Date : 7th May, 2013

**[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**

DP ID No. \_\_\_\_\_ Folio No./Client ID No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_

I/we \_\_\_\_\_ of  
\_\_\_\_\_ in the district of \_\_\_\_\_

being a member(s) of RUSHIL DÉCOR LIMITED, hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ or failing him/her  
\_\_\_\_\_ of  
\_\_\_\_\_ in the district of \_\_\_\_\_

\_\_\_\_\_ as my/our proxy to attend and vote for me/us on my/our behalf at  
the 19<sup>th</sup> Annual General Meeting of the Company to be held on Friday the 27<sup>th</sup> September, 2013 at 11.00 a.m. at S. No. 125, Near  
Kalyanpura Patia, Gandhinagar Mansa Road, Village Itla, Tal. Kalol, Dist. Gandhinagar – 382845, Gujarat and at any adjournment  
thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Signature \_\_\_\_\_

Affix  
Revenue  
Stamp

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

**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)

DP ID No. \_\_\_\_\_ Folio No./Client ID No. \_\_\_\_\_

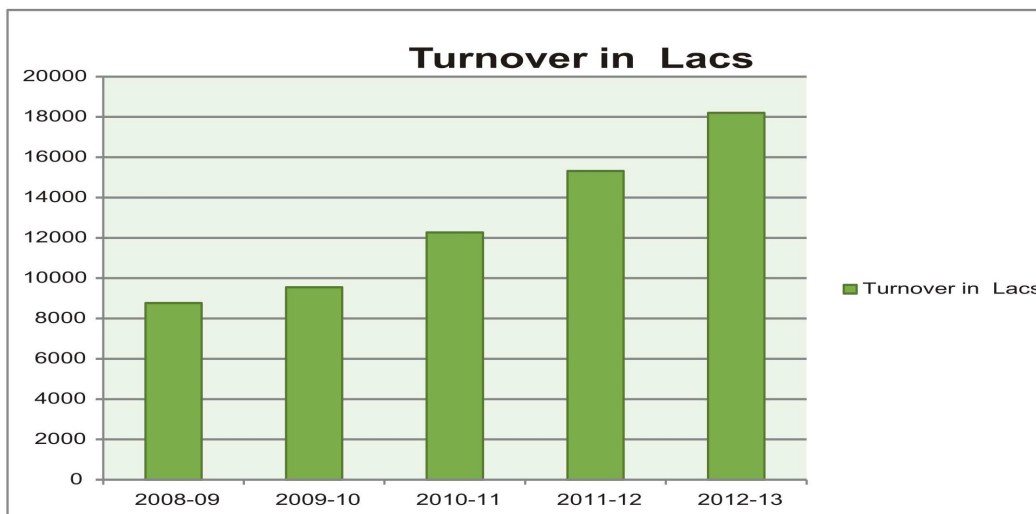
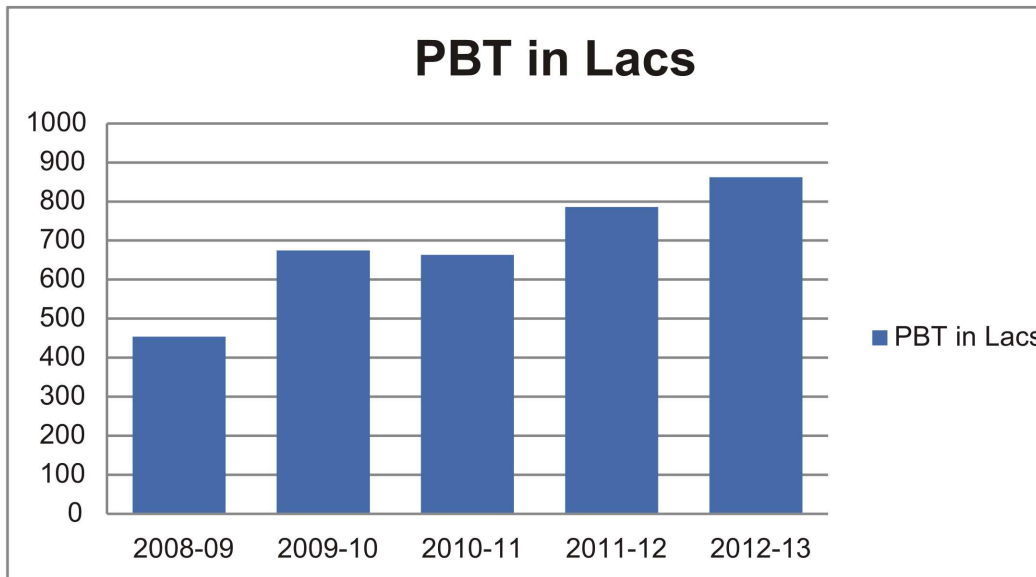
I/We hereby record my/our presence at the 19<sup>th</sup> Annual General Meeting of the Company at S. No. 125, Near Kalyanpura Patia,  
Gandhinagar Mansa Road, Village Itla, Tal. Kalol, Dist. Gandhinagar – 382845, Gujarat on Friday the 27<sup>th</sup> September, 2013 at  
11.00 a.m.

\_\_\_\_\_  
Name of the Member /Proxy holder

\_\_\_\_\_  
Signature of the Member / Proxy holder

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.

## Our Growth



**vir mdf** | **vir board** | **vir wood**  
**vir veneer** | **vir prelam**

## Appeal 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.





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🏠 www.virlaminate.com



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