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RUSHIL DECOR LIMITED



ANNUAL REPORT 2008-09

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victorious run!

vir laminate

OUR VISION

To become no. 1 Indian brand in the laminate industry by 2010 and to diversify into new product lines.

Rushil Group of Companies commenced operations in 1992, when Indian laminate industry started serving to the global markets. Operating with the well-known product brand 'Vir Laminate', today we are among the leading decorative laminate manufacturing companies of India. As a favorable brand for Indian architects and Interior designers, reputed private & public - sector corporate companies are our valued customers. Rushil steered Indian Laminate Industry into export market through the adoption of the flexible global business practices that today enable company to operate more efficiently and to produce more value. With a well-known product brand 'Rushil Decor Premium Laminate', 34 countries are being served by our comprehensive range of products as well as services.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Ghanshyambhai A. Thakkar	Chairman
Mr. Krupesh G. Thakkar	Managing Director
Mr. Narendrakumar Kabdi	Director
Mr. Harshad Doshi	Director

MANAGEMENT

Mr. Keyur Gajjar	Chief Executive Officer
Mr. Vipul Vora	General Manager - Accounts and Finance
Mr. H. K. Modi	Company Secretary

AUDIT COMMITTEE

Mr. Krupesh Thakkar
Mr. Narendrakumar Kabdi
Mr. Harshad Doshi

AUDITORS

M/S. D. R. Thakkar and Co.	Chartered Accountants B-102, Adhunik Appartment, 58, Pritamnagar Society, Ellisbridge, Ahmedabad - 380 006.
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BANKERS

Bank of Baroda	Kalol Branch, M. G. Road, Kalol, N.G.
Allahabad Bank	S. P. Nagar Branch, Opp. S. P. Seva Samaj Hall, Navrangpura, Ahmedabad.

OFFICES

Regd. Office	S. No. 125, Nr. Kalyanpura Patia, Village - Itla, Gandhinagar - Mansa Road, Ta. Kalol, Dist. Gandhinagar, Gujarat.
Corporate Office	1, Krinkal Appartment, Opp. Mahalaxmi Temple, Mahalaxmi Society, Paldi, Ahmedabad - 380 007. Ph: +91-79-2665 1346 / 26622323. Fax: +91-79-2664 0969

FACTORY LOCATIONS

- | | |
|----------------------------|--|
| 1.) RDL | 608, GIDC, Mansa, Dist. Gandhinagar, Gujarat.
Ph.: +91-2763-270395/273204. Fax: +91-2763-270695. |
| 2.) RDL (Unit - RHPL) | S. No. 125, Nr. Kalyanpura Patia, Village - Itla,
Gandhinagar - Mansa Road, Ta. Kalol, Dist. Gandhinagar,
Gujarat.
Ph.: +91-2764-287487/287700. Fax: +91-2764-287777. |
| 3.) RDL (Unit - MRPL) | At: Dholakuva Patia, Gandhinagar - Mansa Road,
Mansa, Dist. Gandhinagar, Gujarat.
Ph.: +91-2763-271695/272695. Fax: +91-2763-273333. |
| 4.) RDL (Unit - Navalgadh) | At: Village Navalgadh, Ta. Dhrangadhra,
Dist. Surendranagar, Gujarat.
Ph.: +91-2754-293100. |



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“RDL continues to be an engine of growth because of its proven ability to reinvent the organization and business.”

CHAIRMAN'S MESSAGE



I am pleased to welcome you all at Rushil Decor Ltd.'s (RDL) Fifteenth Annual General Meeting. I will present before you all the robustness of RDL's business model with a satisfactory annual performance for the year 2008–2009.

Distinctiveness of the RDL's product, its sound financials, its contribution to the social sector and its policy making has given it a unique and distinct identity in the Indian Laminate Industry.

At the end of the year 2008–2009, RDL's footprint extended to over 34 countries in the world. It is able to mark its footprints globally. Your company remained focused on helping customers' certainty while simultaneously adding new customers. It initiated innovative designs and generating business in new market segments and emerging verticals. Diversification in new segment like cotton based particle board, decorative veneer, decorative plywood etc. are central for your Company to ensure diversification of its revenue base and sustain its growth momentum.

Year 2008–2009 was badly affected by the recession at global level. Moreover the recession coupled with other factors like steep decline in the growth of real estate sector. Such factors created a significant impact on the laminate industry which resulted into dropping profits and sales of the leading companies.

Such global economic recession pushed back Indian real estate sector as well and has directly or indirectly influenced the laminate and plywood industries in India. This has direct impact to the sales and profit of the Indian plywood and

laminate industries in the last year compared to the preceding years. Till the end of the year 2007–2008, the Indian laminate sector was growing at the rate of approximately 12% per annum but in the last year 2008–09, the consistency of growth was interrupted by the decline in the growth of real estate sector.

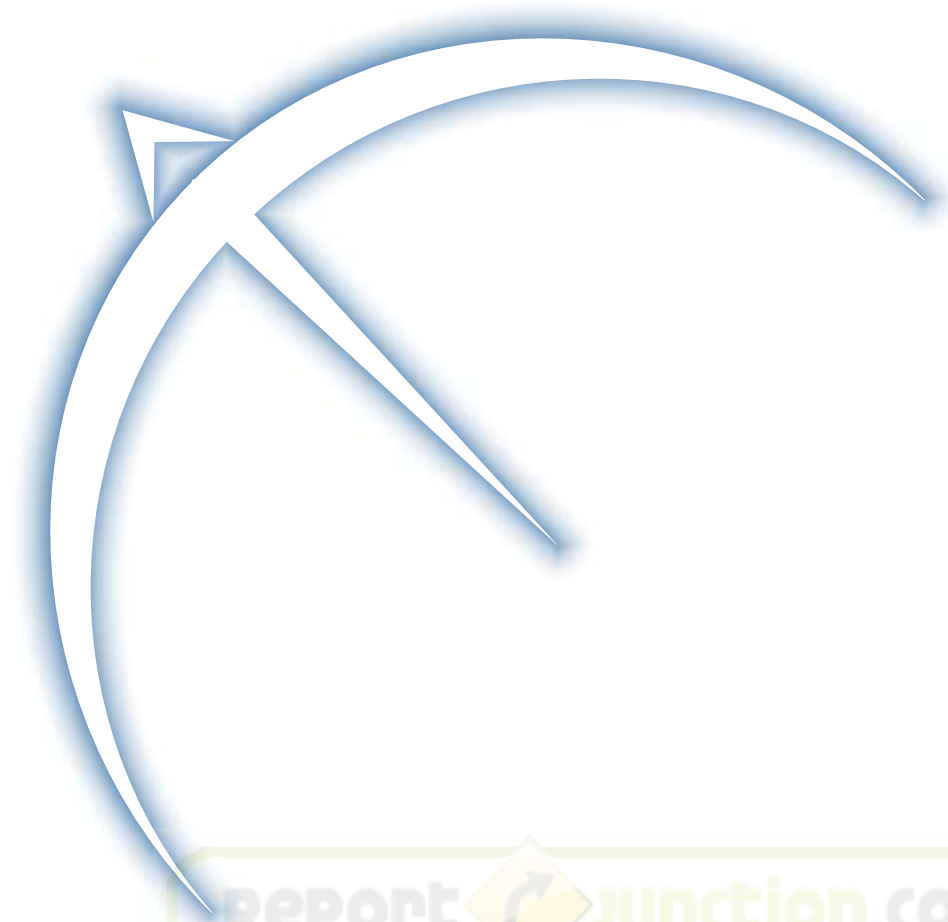
Against such pessimistic background, and in such uncertain and recessionary time, it is no small feat that your Company, Rushil Decor Ltd. has continued to show growth in sales and profits compared to other laminate industries in India.

Looking towards the future, your Company will remain focused on agility, innovation and operational excellence. RDL has always adapted quickly to changing scenarios by its responsive and creative thinking. For customers, RDL presents an enviable value proposition enabled by decade of experience, field knowledge, technology excellence and offerings of full services play.

RDL continues to be an engine of growth because of its proven ability to reinvent the organization and business. Your company is positioned to work in collaborative mode, learning constantly, critically evaluating all that it does and demonstrate the leadership it is known for, thanks to the high valued employees and their extended families and the community at large.

A handwritten signature in black ink, appearing to read 'Ghanshyambhai A. Thakkar'.

GHANSHYAMBHAI A. THAKKAR
Chairman



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Mr. Krupesh G. Thakkar, Managing Director of Rushil Decor Limited being awarded the Indira Gandhi Sadbhavana Award in New Delhi.

NOTICE

NOTICE is hereby given that the FIFTEENTH ANNUAL GENERAL MEETING of the Members of RUSHIL DECOR LIMITED will be held at the Registered Office of the Company at S. No. 125, Nr. Kalyanpura Patia, Village Itla, Gandhinagar Mansa Road, Tal. Kalol, Dist. Gandhinagar on Tuesday, September 29, 2009 at 11.00 a.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2009 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend for the financial year ended March 31, 2009.
3. To appoint a director in place of Mr. Krupesh Thakkar, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/S. D. R. Thakkar & Co., Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business:

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

To appoint Shri Narendrakumar Jain Kabdi, who was appointed by the Board as an additional director of the Company under section 260 of the Companies Act, 1956 read with Article 134 of the Articles of Association of the Company and who holds office till this Annual General Meeting and in respect of whom the Company has received a notice from a member proposing his candidature for the office of Director, be and is hereby appointed as a director of the Company.

By order of the Board of Directors

Ghanshyambhai A. Thakkar
Chairman

Place: Ahmedabad
Date: 23rd July, 2009

Registered Office :

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



Note:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote (on poll) instead of himself and a proxy need not be a member of the Company. The proxy forms duly completed should reach the registered office of the company not less than 48 hours before the meeting. A blank proxy form is attached herewith.
2. Explanatory Statement under section 173(2) of the Companies Act, 1956 relating to Special Business to be transacted at the meeting, is annexed hereto.
3. Section 109A of the Companies Act, 1956 provides for Nomination by the shareholders of the Company in the prescribed Form No. 2B. Blank forms will be supplied by the Company on request.
4. Share transfer documents and all correspondence relating thereto, should be addressed at the registered office.
5. Members are requested to notify immediately any change in their addresses at the registered office of the Company

ANNEXURE TO THE NOTICE

Explanatory statement in respect of the Special Business pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 5

The Board of Directors of the Company had appointed Shri Narendrakumar Jain Kabdi as an Additional Director w.e.f. 6th day of March, 2009 under section 260 of the Companies Act, 1956 read with the Articles of Association of the Company. Shri Narendrakumar Jain Kabdi holds office only till the date of this Annual General Meeting.

Notice has been received from a member as required under section 257 of the Companies Act, 1956 proposing Shri Narendrakumar Jain Kabdi as candidate for office of Director.

None of the Directors of the Company, other than Shri Narendrakumar Jain Kabdi, is deemed to be concerned or interested in the resolution at item no. 5 of the accompanying notice.

By order of the Board of Directors

Ghanshyambhai A. Thakkar
Chairman

Place: Ahmedabad
Date: 23rd July, 2009

Registered Office :

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

DIRECTORS' REPORT

To,
The Members,
Rushil Decor Limited

The Directors have pleasure in submitting the FIFTEENTH Annual Report on the business and operations of the Company along with the Audited Statement of Accounts for the year ended 31st March, 2009:

Financial Highlights:

Particulars	2008-09	2007-08
Gross Turnover with excise	9186.29	7966.67
Profit before Interest, Depreciation and Taxation	1070.52	775.74
Less: Interest & Financial Charges	496.30	372.63
Profit before Depreciation and Taxation	574.22	403.11
Less: Depreciation	120.46	117.45
Profit before Tax	453.76	285.66
Provision for Taxation:		
Current Tax	176.18	79.36
Short Provision of earlier years	-0.71	4.64
Profit after Tax	278.29	201.66
Add: Balance of Profit brought forward from previous year	394.85	293.80
Profit available for appropriation	673.14	495.46
Appropriation to:		
Dividend / Interim Dividend on Equity Shares (including tax on dividends)	204.89	93.08
Transfer to General Reserve	30.00	0.00
Transfer to Capital Redemption Reserve	0.00	0.50
Gratuity Provision	0.00	7.03
Balance Carried over to the Balance Sheet	438.25	394.85

Dividend:

Your Company declared an interim dividend of Rs. 1/- per share in the month of March, 2009 aggregating to Rs. 87,56,250/- for 87,56,250 equity shares of nominal value of Rs. 10/- each. The Board of Directors is pleased to recommend a final dividend for the year of Rs. 1/- per share on 87,56,250 equity shares of nominal value of Rs. 10/- each, aggregating to Rs. 87,56,250/-

taking the total dividend payout to Rs. 2/- per share of a nominal value of Rs. 10/- each.

Review of Business Operations:

Turnover of your Company grew up by 15.3%. Gross Turnover of the Company for the year under review was Rs. 9186.29 lacs against Rs. 7966.67 lacs of the previous year.

Profit before tax increased by 58.8% from Rs. 285.66 lacs to Rs. 453.76 lacs.

Your Company has strived to maintain its consistent track record of growth during the financial year 2008-09; in spite of the year was an unprecedented year in many ways triggered by a massive global financial meltdown. The first two quarters were good but the last two quarters were struggleful for the laminate industry. The Company's operational and marketing strategy with a well balance of product mix, has largely contributed to the turnover and profitability of the organization. In particular, the innovation in design, finishing, grade etc. has strengthened the leg of the product in the Indian as well as global market.

Sales Promotion:

During the year 2008-09, Company has achieved the turnover of Rs. 9186.29 lacs, which was Rs. 7966.67 lacs in the earlier year 2007-08. This is the best achievement for the Company, because Company has shown this growth in the down trend market in laminate industry. Actually, this growth is attributable to the various sales promotion activities such as organizing tour for dealers and distributors, special gifts and schemes for dealers, distributors, architectures and carpenters etc., advertisement in the industry magazines, organizing dealers and distributors meeting at regular intervals, participation in the business trade fairs etc.

Industrial Relations:

There has been jovial and melodious industrial relations during the year and the management received full co-operation from all the employees.

There was a programme at Maninagar in Ahmedabad where head of various departments participated and came out with creativity and innovative ideas. The employees with family members actively participated in the programme where management with Rushil family was also present which demonstrates homely atmosphere among the employees of the Rushil group.

"The Company's operational and marketing strategy with a well balance of product mix, has largely contributed to the turnover and profitability of the organization."

DIRECTORS' REPORT



Corporate Social Responsibility:

The Company has donated to "Charitable Trusts" and to other needful persons which help in terms of education, medical aid as also relief to the weaker sections of the society, particularly destitute.

Insurance:

The properties and insurable assets and interests of your Company like building, plant & machinery, stocks etc. are adequately insured. Company has also taken the workmen compensation insurance to safe the workmen of the company.

Directors:

Mr. Krupesh G. Thakkar, Director of your Company, retires by rotation and, being eligible, offer himself for re-appointment.

Shri Narendrakumar Jain Kabdi was appointed as an additional director of the Company w.e.f. 06.03.2009 on the Board of the Company whose appointment expires at the end of this Annual General Meeting. The Company received notice from the member proposing to appoint Shri Narendrakumar Jain Kabdi as Director of the company.

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

Auditors and their report:

Observations of the Auditors in their report and the notes forming part of the Accounts are self explanatory and need no comments.

M/S. D.R. Thakkar & Co., Chartered Accountants, the Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a certificate from the auditors to the effect of their reappointment. The observation of the auditors referred to in the Auditors' Report have been suitably explained in the Notes on Accounts.

Audit Committee:

The members of the Audit Committee are Shri Harshadbhai Doshi, an Independent Non Executive Director, Shri Narendrakumar Jain Kabdi, a Non Executive director and Shri Krupeshbhai G. Thakkar, managing director of the Company. To comply with the requirement of the provisions of section 292A of the Companies Act, 1956, 2/3 members of the Committee are directors other than managing director or whole time directors.

Directors' Responsibility Statement:

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

(A) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departure;

(B) The directors have selected such accounting policies and have applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and profit or loss of the Company for the year under review;

(C) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(D) The directors have prepared the annual accounts on a going concern basis.

Particulars of the Employees:

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

Energy, technology and foreign exchange:

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

Appreciation and Acknowledgement:

The directors are pleased to place on record their appreciation for the continued support received from the Government, Banks and Financial Institutions, suppliers, customers and other stake holders. The board would also like to express great appreciation for the commitment and contribution of its employees who are the assets of the Company at all levels.

For and on behalf of Board of Directors

Ghanshyambhai A. Thakkar
Chairman

Place: Ahmedabad
Date: 23rd July, 2009

ANNEXURE TO THE DIRECTORS' REPORT

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

Additional information in terms of notification no. 1029 dated 31.12.98 by the Department of Company affairs.

1. Conservation of Energy

Total energy consumption and energy consumption per unit of production as per Form A of Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not given as the Company is not covered under the list of specified industries. However, affords to conserve and optimise the use of energy through improved operational methods and other means will continue.

Company is using the water in boiler which is passing from dryer. Actually, the water passes from the dryer have 80° c to 90° c heating and have no further use except for reprocessing at subsequent stage. But, Company is using the hot water into boiler which is coming from dryer. Thus, this process save the burning cost of boiler to some extent, because the water coming from dryer has already 80° c to 90° c temperature.

2. Research and Development (R & D):

1. Specific areas in which R & D has been carried out:
Efforts are being made to give various eye-catching and remarkable designs to the customers. However, Company has tried as much possible as to maintain or improve the quality of the product with optimum cost.

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

A. Conservation of basic raw materials coupled with low cost and longer life of final product.

B. Improvement in quality and innovation in the final product.

3. Future plan of action:

To make further progress on areas enunciated in item nos.1 and 2 above.

4. Expenditure on R & D:

A. Capital : Nil

B. Recurring : As of Now, it is being maintained as an ongoing part of production activities and a separate head of account is

not maintained.

C. Total : Not Applicable

D. Total R & D expenditure as a percentage of total turnover : Not Applicable.

3. Technology Absorption and Innovation:

1. Efforts in brief made towards technology absorption and innovation: Locally available raw materials are utilized to gain maximum advantage. Further, Company will start production of particle board from cotton stalk which is an eco friendly concept. Use of cotton stalk will become earnings for the farmers who were earlier incurred cost for its disposal.

2. Benefits derived as a result of above efforts:

- ◆ Product improvement
- ◆ Reduced cost of final products
- ◆ Comparable quality and performance with products produced using imported materials

3. Details of technology imported during the last five years reckoned from the beginning of the financial year:

A. Technology imported : Nil

B. Year of import : Not applicable

C. Has technology been fully absorbed : Not Applicable

D. If not, fully absorbed areas where this has not taken place. Give reasons for the same and explain future plan of action, if any : Not Applicable

4. Foreign Exchange Earning and Outgo:

Global recession has severely impacted business in major export markets, particularly in the laminate industry. In adverse market conditions and facing stiff competition from Indian and overseas competitors, the Company was able to deliver a sustained performance. This has been achieved through focused effort on enhancing customer base and providing value added products.

The appreciation of USD against major global currencies including Indian Rupee caused lot of imbalance in the flow of orders as well as pressure on prices. However, the Company has strengthened its position in foreign market by providing competitive and quality products.

The particulars regarding foreign exchange earnings and outgo are given in Schedule 18 - notes forming part to the Accounts.