



RUSHIL DECOR LIMITED



INSPIRED BY ALL

Think



18th
ANNUAL REPORT
2011-12



Chikmagalur Factory



Chikmagalur MDF Plant



CORPORATE INFORMATION

■ BOARD OF DIRECTORS ■

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

■ COMPANY SECRETARY & COMPLIANCE OFFICER ■

Mr. Hasmukh K. Modi

■ STATUTORY AUDITORS ■

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

■ PRINCIPAL BANKERS ■

BANK OF BARODA

Kalol Branch
N. G. Road, Kalol.

ALLAHABAD BANK

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

**REGISTERED OFFICE**

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

**CORPORATE OFFICE**

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

**REGISTRAR & SHARE TRANSFER AGENT**

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

CONTENTS

Notice	03
Directors' Report.....	12
Management Discussion and Analysis Report	19
Corporate Governance Report	23
Auditors' Report.....	33
Balance Sheet	36
Profit & Loss Statement	37
Cash Flow Statement	38
Significant Accounting Policies	40
Notes of Financial Statistics	57

NOTICE

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

ORDINARY BUSINESS:

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

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Hasmukh K. Modi
Company Secretary

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

Date: 26th May, 2012

Notes:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON POLL) INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORMS DULY COMPLETED, STAMPED AND SIGNED SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED.**
- 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.
- 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.
- Members holding shares in physical form are requested to notify change in address, bank mandate and bank particulars for printing on the dividend warrants, if any, under their signatures to Bigshare Services Private Limited, E/2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka,

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

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

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

Shri Kabdi Narendrakumar Jain:

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

Shri Shankar Prasad Bhagat

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

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

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

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

Hasmukh K. Modi
Company Secretary

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

Date: 26th May, 2012

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

ITEM NO. 6

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

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

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

A) SALARY :

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

B) PERIOD:

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

C) PERQUISITES (including allowances)

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

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

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

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

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

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

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

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

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

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

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

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

D) MINIMUM REMUNERATION:

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

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

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