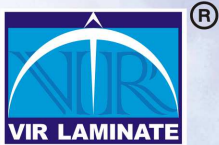




RUSHIL DECOR LIMITED

19th ANNUAL REPORT 2012-13





®

design your lifestyle



MDF plant at Chikmagalur

CORPORATE INFORMATION:**BOARD OF DIRECTORS**

Mr. Ghanshyambhai A. Thakkar	<i>Chairman & 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

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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



RUSHIL DECOR LIMITED

DIRECTORS' REPORT

To,
The Members,
Rushil Decor Limited

Your Directors are pleased to present the 19th 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 2nd 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. 30th 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