



RUSHIL

DECOR LIMITED

WE'LL MAKE IT

ANNUAL REPORT
2020



ACROSS THE PAGES

CORPORATE OVERVIEW

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INVESTOR INFORMATION

| | |
|---|---|
| Market Capitalisation as at 31st March, 2020 | : ₹ 108.55 Cr |
| CIN | : L25209GJ1993PLC019532 |
| BSE Code | : 533470 |
| NSE Symbol | : RUSHIL |
| Bloomberg Code | : RDL:IN |
| Dividend Declared | : 5% (₹ 0.5 per share) |
| AGM Date | : 18th December 2020 |
| AGM Venue | : Video Conferencing (VC) / Other Audio Visual Means (OAVM) |
| Shareholding Structure | : Promoters: 53.24%, FPI: 11.45%, Bodies Corporate: 16.29%, Others: 19.02% |

Please find our online version at
<https://www.rushil.com/financial>

Or simply scan to download



Disclaimer: This document contains statements about expected future events and financials of Rushil Décor Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.

LEADING THROUGH EXCELLENCE

Excellence is about constantly upgrading and updating. It is what adds the 'Extra' to ordinary. It means being committed to doing your best, striving to do better, every single time.

And this spirit of outdoing what is already done best describes Rushil Décor Limited. Our vision of success is the one which includes excellence. As a result, today Rushil Décor Limited (RDL) is one of the leading brands in the laminate and the domestic MDF Board segments. With decades-rich experience backing us and a zeal to innovate something new each time, we are leading through excellence, one product at a time.



VISION

Create a better everyday life for our customers. Our vision is to offer a wide range of well-designed, environment friendly functional products at affordable prices and commit to deliver growth consistently to our investors and employees. Our objective is to have long-standing and trustful investor, customer and employee relationships by creating 'tangible value' consistently, efficiently and ethically.



MISSION

Delivering sustainable growth consistently to our investors and employees. Exceed our internal and external customer requirements through continuous improvement, and inspire employees to do their best by offering opportunities for personal development and enabling them realize their full potential.

WHAT OFFERINGS

Manufacturer of wood engineered products



Medium Density Fibre (MDF) Board,



Laminate Sheets



Poly Vinyl Chloride (PVC) Board



FOR WHOM CUSTOMERS

Residential Commercial Institutional Spaces



WHERE GEOGRAPHIES

Globally



India, Australia, Gulf



Middle East, Indonesia



Rest of Asia Pacific

₹ **339.13** Cr

Revenues in 2019-20

₹ **40.45** Cr

EBIDTA in 2019-20

₹ **23.04** Cr

PAT in 2019-20

₹ **15.44**

EPS in 2019-20

433

Employee strength

*EBIDTA: Earnings before interest, depreciation, tax and amortization

*PAT: Profit After Tax

*EPS: Earnings per Share

MANAGING DIRECTOR'S MESSAGE

After a relatively stronger growth in 2018, there were predictions of 2019 faring better economically. However, surrounded by rising uncertainties, the global growth rate for the FY 2019-20 recorded a downward slide. Just when the year was nearing a close, the outbreak of Covid-19 pandemic sent shock waves across the globe. With a public health crisis taking over the world, all the social, economic and financial structures across the globe were disrupted. Lockdown across economies, to mitigate the spread of the virus, brought all business activities to a screeching halt, severely damaging the global economy.

The FY 2019-20 proved to be challenging, especially in the second half of the year owing to factors like overall slowdown in the economy, weak rural growth and the Covid-19 pandemic that severely affected trade and commerce everywhere, India being no exception. The series of fiscal stimulus measures taken by the Government and Central Bank, will aid the Indian economy to grow at a healthy pace. Even though the external environment impacted our growth, but we drew upon our advantages and maintained our market shares across all our brands. Also, we prioritised safety and well-being of employees, ensuring business continuity while adhering to all the relevant Government guidelines.

India drives demand as the 3rd largest consumer market globally. The country's furniture market size was USD 21 bn in 2018 and is anticipated to reach over USD 31 bn by 2024 (*Source: TechSci Research Report*). The growth, as projected, will be riding the back of level-playing field for the sector as the exemption limit is restricted to ₹ 20 lakhs, a move from unorganised sector to organised sector. Further, the demand for plywood, MDF boards and laminates is likely to remain strong with the Government's push on infrastructure and low-cost housing will augur well for the industry. The Government have also initiated anti-dumping duty on MDF imports and raised the customs duty on furniture imports.

However, post-Covid-19 the trend is more likely to move towards ready-made furniture as people will not prefer calling carpenters at home. The Indian Work From Home (WFH) furniture market is projected to grow from an estimated USD 2.22 bn in FY2020-21 to USD 3.49 bn by FY2025-26 (*Source: Businesswire*). The growth will be majorly driven by rising number of companies providing an option of doing WFH to their employees coupled with growing number of IT companies adopting cloud-based solutions. Besides, consumer preference for superior quality products, increasing urban population, growing internet connectivity and rising disposable income are few other factors that are positively influencing the market. Also, with millennials turning into the decision-makers and consumers, the demand for modular and elegant furniture is witnessing a phenomenal growth. People are increasingly and willingly spending more on experience, customized products, and time-saving services.

Backed by sound performance across all our segments, we continued growing consistently and profitably during the year 2019-20. The right execution of our strategy, supported by the effort and collaboration of our associates, helped us accomplish favourable results. This motivated us further to focus on the future of our business.

Overall Business Performance

Our strategies and steady performance help us grab opportunities, the progress of which is reflected in our results. During the year 2019-20, the Company's performance was stable. The total revenue marginally decreased by 3% from ₹ 352.23 Cr in 2018-19 to ₹ 339.13 Cr in 2019-20. While EBITDA registered a growth of 11.59% from ₹ 45.14 Cr in 2018-19 to ₹ 50.30 Cr in 2019-20 and EBITDA Margin stood at 11.93 %. PAT witnessed growth of 60% from ₹ 14.33 Cr in 2018-19 to ₹ 23.05 Cr in 2019-20 driven by tax benefit while PAT Margin stood at 6.80%.

Our stable performance along with financial discipline, is what determines the path of our success. It motivates us to excel at every stage. It drives us to constantly earn the confidence of the shareholders and pay them back through dividends, which for 2019-20 was ₹ 0.50 per share.

Corporate Social Responsibility

I want to reiterate that we care deeply for our people and the communities in which we operate. CSR has been a longstanding commitment at RDL and forms crucial part of the Company's activities. Our objective is to proactively support meaningful socio-economic development. Our key focus area for CSR activities include education, health, animal welfare, rural development projects and eradication of poverty & hunger, among others.

Our Employees

A high degree of organisational agility, brilliance, customer centricity and effective cost are some of the key indicators of success. But to drive business growth in a sustainable manner, the role of people is above everything else. Our employees' engagement and their dedication in achieving our goals is deeply valued. We sincerely appreciate their undeterred hard work and contributions that ensure our growth and success.

Going Forward - Our Strategy

Our '4F' strategy forms the foundation of business. It is built around the four pillars of organic growth, operational improvement, strong financial position and innovative products. During the year, we continued moving ahead with the '4F' strategy in mind. The focus is to further penetrate the existing markets through multiple channels. Multi-segment and multi-channel presence have played a pivotal role in helping us capture larger market share in South India. We are diversifying our geographical presence by expanding into the Eastern markets. Moreover, we will continue offering eco-friendly products through responsible sourcing of wood. Our previous year's efforts towards expanding our services, improving customer focus and increasing productivity have helped us create a stronger and more resilient company.

In Conclusion

We remain committed to full compliance with the highest ethical and legal standards. Our efforts are constantly guided towards generating value and certainty for all our stakeholders. I sincerely appreciate our associates for the magnificent work they have done. I also wish to thank our strategic partners for their essential support, our shareholders and customers for their constant loyalty and confidence. Together we can achieve the best of standards and our collective efforts allow us to remain steady even in such turbulent times.

Warm Regards,

Krupesh Thakkar

We stand at a point when we have earned the trust of consumers and other stakeholders through the integrity of our promise and the quality of our products that delivers value. Our aim is to retain the trust and transform our strategy for the future.



A MODERN-DAY CLASSIC

At RDL, we treasure our classics for they form our roots. But it is also important to upgrade continuously and remain relevant. Our classic Medium Density Fibre Boards are perfect substitutes to the traditional wood. It is pocket-friendly and an upgraded version of the classic wood.

PRODUCT BRAND

We are one of India's leading manufacturer of Medium Density Fibre board (MDF), operating through our three key brands 'Vir mdf', 'Vir prelam', 'Vir HDFWR'.



PRODUCT APPLICATION

The MDF boards for pre-lamination can be used in:

- Kitchen cabinet doors
- Office home furniture
- High gloss digital printing laminated board

VALUE PROPOSITION

- Produced from 100% renewable wood source
- Consistency and smoothness of MDF allows easy cutting of detailed designs for a superior finish
- Quality experts with stringent measures at each step of the manufacturing process to offer high-quality products
- Extensive product range in variety of sizes and thicknesses to cater the everchanging customers' needs
- Unique mix of durability, look, texture and richness. Perfect for crafting exclusive interiors as well as strong and sturdy furniture
- Exceptional substitute for solid timber with texture of seasoned wood
- Affordable and durable

MANUFACTURING FACILITIES

- State-of-the-art manufacturing facility based in Karnataka with latest CNC machines that make MDF with homogeneity and less wastage
- Setting up world-class MDF plant at Andhra Pradesh to capture the opportunity in domestic market

4 FT. X 8 FT

Size

7.5 MM TO 30 MM

Thickness

150+

Distributors

1,100+

Dealers

2

Branches

94.70%

Utilisation as on
31st March, 2020

28 STATES

Pan India Presence

DESIGN IS INTELLIGENCE MADE VISIBLE

PRODUCT BRAND

We are among India's leading brand in the organised laminate segment, We operate through our two key brands, Vir Laminates and Signor.



PRODUCT APPLICATION

Our laminates can be used in:

- Interior and exterior applications
- Heavy-duty industrial applications

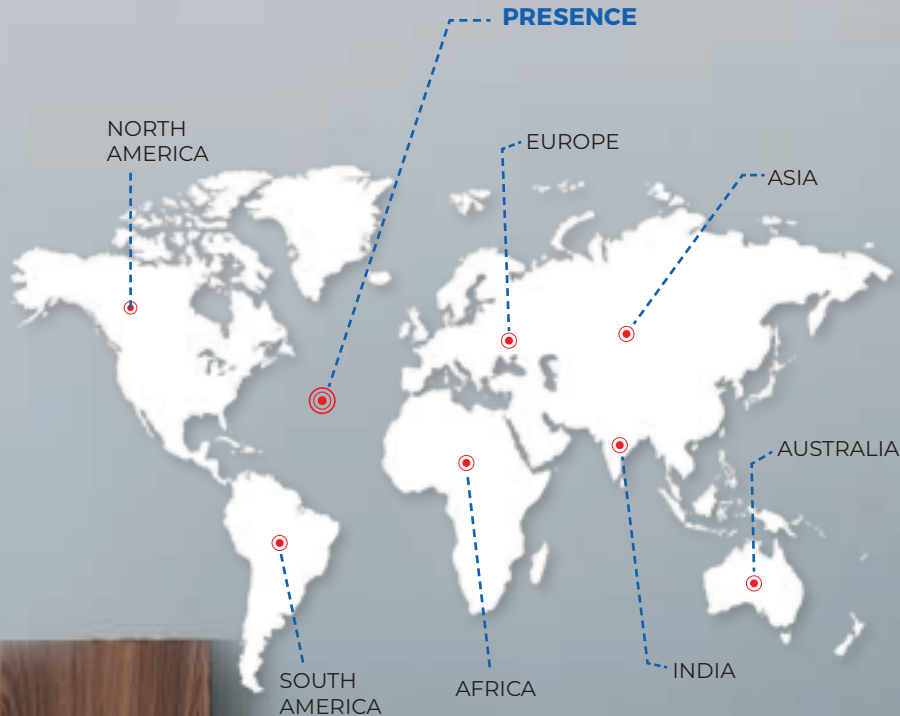
VALUE PROPOSITION

- Design-leaders with diverse sheet designs in domestic and export markets
- Affordable pricing
- Innovation-backed
- Strong product development team
- Attractive and safe
- Eco-friendly and durable

MANUFACTURING FACILITIES

- Three top-notch facilities based in Gujarat with advanced technologies
- Certificate of compliance by UK certification and inspection Limited
- Quality certification for management systems of all the laminate plants by ISOQAR

PRESENCE



ISO 9001:2015

ISO 14001:2015

ISO 45001:2018

34.9 LAKHS

Sheets Produced
Per Annum

81.66%

Capacity Utilisation as on 31st March,
2020

500+

Designs

50+

Textures & Finishes in
HPL Segment

45

Distributors

7

Consignment Stockists

1

Depot

4

Branches

1,950

Dealers

GREEN AND CLEAN

At RDL, we believe that the proper way of living on Earth is not by conquering it but by living in it. At a time when climate change is a pressing issue, it is important to be consciously sustainable. Our 100% recycled and eco-friendly products echo these same sentiments.

PRODUCT BRAND

We manufacture Poly Vinyl Chloride (PVC) through our key brands 'Vir PVC'.



PRODUCT APPLICATION

The PVC board can be used in:

- Consumer Goods
- Construction
- Automotive
- Furniture

VALUE PROPOSITION

The PVC board can be used in:

- 100% recycled material. An eco-friendly alternative for durable interiors and exteriors
- Value engineering experts to offer products of superior quality
- Waterproof, fire-retardant and economical, a perfect substitute for wood-based boards
- Refine surface of PVC gives ready-to-print/paint surface which does not need surfacer/putty filling
- Versatile, easy-to-use and solvent joinery system for making furniture and sandwich
- LEED certification led carbon credits

MANUFACTURING FACILITIES

- An ultramodern facility in Karnataka with cutting-edge technologies