

ANNUAL REPORT

2020-21



RUSHIL

DECOR LIMITED

WE'LL MAKE IT



ACROSS THE PAGES

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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 a 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 section of this Annual Report.

Investor Information

Market Capitalisation as at 31st March, 2021	₹ 41,678 Lacs
CIN	L25209GJ1993PLC19532
BSE Code	533470
NSE Symbol	RUSHIL
Bloomberg Code	RDL:IN
Dividend Declared	5% (₹ 0.50 Per Share)
AGM Date	27 th September, 2021
AGM Mode	Video Conferencing (VC)/ Other Audio Visual Means (OAVM)
Shareholding Structure	Promoters: 58.54% FPI: 7.13% Bodies Corporate: 10.95% Others: 23.38%

GROWTH IS US!

Yesterday, Today and Tomorrow, what really is the difference between the three?

If you ask us, we'd say, Growth. Growth is the difference between what we were yesterday, what we are today and everything we can be tomorrow.

As one of the leading manufacturers of wood panels and decorative laminates in India, we, at Rushil Décor Limited (RDL), strive to constantly improve ourselves and be a better version each day. We focus on enhancing our operational efficiencies through world-class product innovation. And in this process, Growth becomes our catalyzing ingredient within and the guiding star above.

Last year brought about significant changes in the way we work and live. It saw people not being tethered to their desks any longer. As a result, we saw an increasing number of consumers willing to spend a good share of their disposable income on high-end necessities such as work-from-home furniture and renovation works. It led to rising demand for MDF and laminates.

Our innovative 4F strategy at the helm of our operations places us right to produce superior products at competitive costs. It has prepared us to claim an even bigger share of the market. As we walk on this road of advancement, we know growth is both the wind beneath our wings and our wings, just like we are growth and Growth is us!



RUSHIL DÉCOR LIMITED IN NUTSHELL



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.



VISION

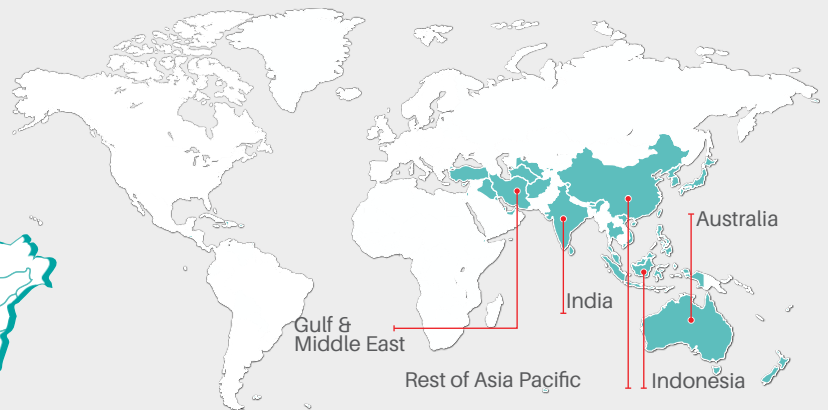
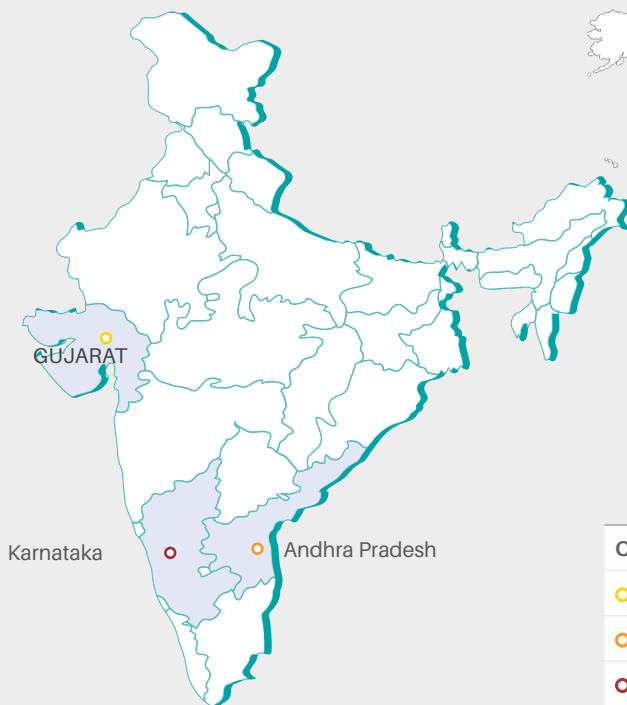
Create a better everyday life for our customers. Our vision is to offer a wide range of well-designed, environment-friendly functional products at affordable prices and commit to deliver growth consistently to our investors and employees. Our objective is to have long-standing and trustful investor,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

Our Customers:



Residential and
Commercial Spaces

The Markets We Serve:

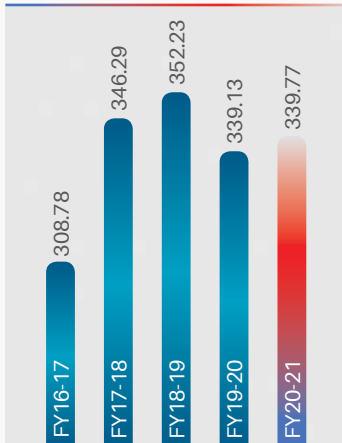


OUR PRODUCT PORTFOLIO	MANUFACTURING LOCATION
Decorative Laminates	Gujarat
MDF Boards	Karnataka and Andhra Pradesh
PVC	Karnataka

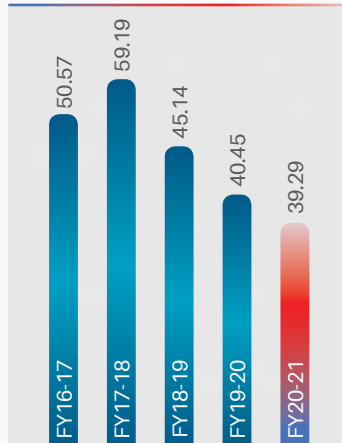
This map is a generalised illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.

KEY PERFORMANCE INDICATORS (KPIs)

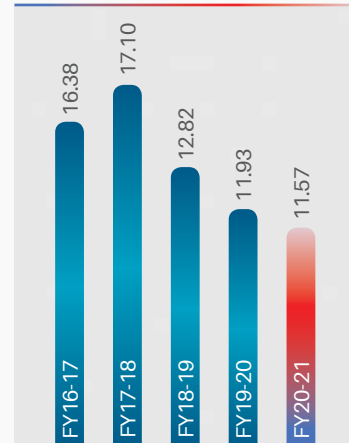
Total Revenue (₹ in Cr.)



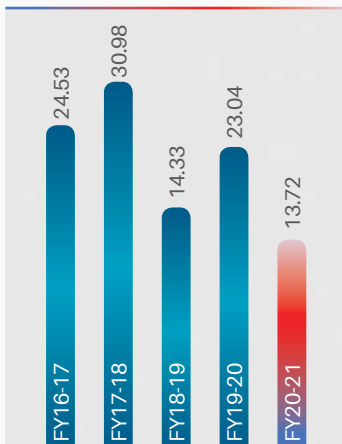
EBITDA (₹ in Cr.)



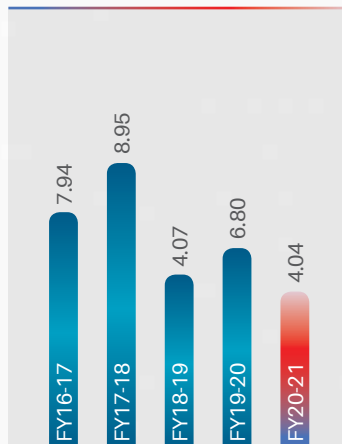
EBITDA Margin (in %)



PAT (₹ in Cr.)

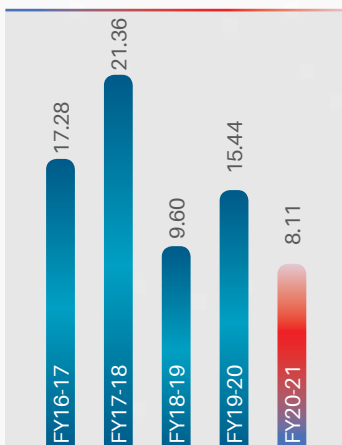


PAT Margin (in %)



* EBITDA: Earnings before Interest, Depreciation, Tax and Amortization
 * PAT: Profit after Tax
 * EPS: Earnings Per Share

EPS (in ₹)



MANAGING DIRECTOR'S MESSAGE



“ WITH THE ECONOMIC GROWTH OF INDIA PICKING UP PACE, WE ARE ALL SET TO BE A PART OF THIS GROWTH ENGINE WITH THE COMMISSIONING OF OUR ANDHRA PRADESH PLANT. WITH A THRUST ON DEPLOYING STATE-OF-THE ART TECHNOLOGY AND PRODUCT INNOVATION, WE AIM TO CAPTURE AND SUSTAIN INCREASINGLY LARGER MARKET SHARE AND CREATE VALUE FOR ALL OUR STAKEHOLDERS.

Dear Shareholders,

I extend my warm greetings to all the stakeholders, associates and the entire community associated with Rushil Décor Limited. I am glad for this opportunity to share our Company's business progress, achievements, and progressive outlook with you all. But before I proceed, I sincerely hope you and your dear ones are safe and urge you to continue taking good care and be cautious in these uncertain times.

The Year that was

The year 2020 saw Indian industries and their counterparts worldwide reeling under the impact of the Covid-19 pandemic. This never-seen-before health crisis and the toll it took in the form of the first and second waves on India's economic zeal and social spirit has been monumental.

With the Government and society's unrelenting safety measures, the number of cases has gradually subsided. The economy is slowly yet

firmly inching back towards normal, and so are different industries across various sectors.

I am happy to state that we have reopened our business while ensuring the highest possible safety measures and precautions for all our employees and business associates. In the year ended 31st March 2021, **we registered a revenue of ₹339.77 Cr., with EBITDA and PAT at ₹39.29 Cr. and ₹13.72 Cr., respectively.**

Despite such turbulent market conditions, we were able to maintain the previous year's topline. Operating margins were impacted due to the continued expenses incurred even during the various lockdowns. However, we drew upon our advantage to maintain our market shares across all our brands. In fact, our Q4 2020-21's performance is a good indication of our recovery in terms of revenue and operating profit, vis-à-vis the Q4 of 2019-20.

On the Path of Growth

The onset of Covid-19 did not augur well with the Indian economy, especially in the first couple of quarters of 2020-21. However, the economy showed grit and resilience and is back on its course of growth and expansion. According to the latest report by Asian Development Bank, India's GDP is estimated to grow @10% for the financial year 2021-22; having contracted by 7.3% during the fiscal year 2020-21.

(Source: <https://scroll.in/latest/1000624/indias-economic-growth-forecast-lowered-to-10-for-2021-22-says-asian-development-bank>).

As far as the Wood Panel and Decorative Laminates industry are concerned, we are safely positioned to capture a large share of the growing market with our flagship brands – VIR Laminate, VIR MDF, and VIR PVC.

We identify steady growth of the commercial and housing real estate sector as our principal growth driver. Due to rising safety awareness amongst general masses and large-scale vaccination drives conducted by the Government of India, both commercial and housing real estate segments have been abuzz with construction activity. The insistence of the Government of India in providing housing for all has also been a major boost. The rising income of the urban households has translated into rising demand for well-furnished living and workspaces with high aesthetic appeal.

This has led to the demand for trendy, ready-to-assemble (RTA) furniture that is pocket friendly, durable and eye-catching. The furniture industry has traditionally relied on Plywood for its manufacturing requirements. However,

Plywood is being gradually replaced by the medium density fibreboard (MDF) that is equally durable, highly affordable and environmentally sensitive.

At RDL, we strongly believe that MDF is a futuristic product. Speaking from the growth trends demonstrated by the MDF segment, it can be safely assumed that the MDF will take over a large part of Plywood segment in the coming decade.

Laminates and MDFs were the second and third highest revenue grosser after Plywood in the wood furniture market in India in 2020. Currently, the MDF segment has reported a CAGR of about 15% per annum (p.a.) and is soon anticipated to increase to 20%. The market size of MDF in India is ₹ 18 Billion. India imports 2.4 lac cubic meters of MDF every year. With our Andhra Pradesh (AP) plant soon reaching its optimum capacity, we expect ₹ 350 Cr. of annualized turnover in the MDF segment only.

The market size of laminate segment in India is ₹ 50 Billion and presents an opportunity of a 10% CAGR every year. According to the Department of Commerce and Industry, Indian imports under the segment, during the year 2020-21, were to the tune of ₹ 541.03 lacs.

PVC market in India, presently worth ₹ 10 Billion, is estimated to expand at 10% CAGR. We are expanding our dealership network across the nation to increase our market presence in these segments, too. Thus, being well-heeled amongst the industry leaders in decorative laminates and MDF, RDL can proudly identify with its motto of growth and excellence.

Being in harmony with the community

We, as a Company, believe in maintaining a sustainable work environment and deeply care for the community and environment in which we operate. Corporate social responsibility (CSR) has been a core part of our value system ever since our Company's emergence. Our goal is to aid significant socio-economic development. The vital areas of CSR activities for us have been education, health and well-being projects and eradication of hunger and poverty.

Our overall strategy is based on the principles of organic growth, operational improvement, strong financial position, and innovative products. Our focus is on penetrating the existing markets further through multiple channels. Different segments and the multitude of channels have played a crucial role in targeting a large market share in South India.

In the end

I want to thank the entire team of RDL for their untiring efforts, hard work and dedication. I would also sincerely like to thank all the stakeholders for their undeterred support and faith in our Company. This trust is what motivates us to achieve newer heights and grow consistently.

Take care and stay safe!

Warm Regards,

Krupesh Thakkar

(*Source: www.statista.com, <https://economictimes.indiatimes.com/industry/indl-goods/>, <https://www.mordorintelligence.com/industry-reports/wood-furniture-market-in-india>)

CONTEMPORARY COMPANION OF MODERN FURNITURE



Furniture industry in India is expected to witness CAGR of 12.91% in the period between 2020 to 2024, presenting a huge growth potential. MDF is the future of the furniture industry. High durability, affordability and multipurpose use make it an ideal choice for Gen Next.

RDL enjoys a leading presence in this market with its flagship brands:

VIR MDF



USES

- High gloss finishing for printing or painted board in home décor
- Aesthetic home furniture
- Smart office furniture

VALUE PROPOSITION

- Produced using highly advanced German technology and machines
- State-of-the-art CP (continuous press) technology results in lower raw material consumption
- Amenable for use in the modern furniture manufacturing process
- Offers high aesthetic value due to its smooth finishing
- Highly durable and easy on pockets
- Environment friendly as made from recyclable materials

MANUFACTURING FACILITIES

Location: Karnataka & Andhra Pradesh

Capacity: 1100 CBM (addition of 800 CBM March 21)

Utilization: 82%

PRODUCT SPECIFICATION

- Dimensions: 4ft.* 8ft.
- Thickness: from 2 mm to 30 mm
- Grades: Both interior and exterior grades

MARKETING AND DISTRIBUTION NETWORK

- 80 Distributors
- 3 Consignment Stockists
- 1 Branch
- 850 Dealers



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DYNAMIC DESIGNS FOR VIBRANT DÉCOR

