



RUSHIL

DECOR LIMITED
WE'LL MAKE IT

RDL/054/2020-21
Date: 23.11.2020

To,
National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051
NSE EQUITY SYMBOL: RUSHIL

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001
SCRIPT CODE: 533470

ISIN: INE573K01017

Sub: Submission of Annual Report for the Financial Year 2019-20.

Dear Sir/Madam,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the **Annual Report** of RUSHIL DÉCOR LIMITED (the Company) for the Financial Year 2019-20.

The aforesaid Annual Report has also been placed on the website of the Company at www.rushil.com

This is for your information and record.

Thanking you

Yours Faithfully,

For, Rushil Decor Limited

Mool Modi



Hasmukh K. Modi
Compliance Officer

Tele No.: (079) 61400400
Email: ipo@rushil.com

Encl.: Annual Report for the FY 2019-20



RUSHIL DÉCOR LTD., RUSHIL HOUSE, NEAR NEELKANTH GREEN BUNGALOW,
OFF SINDHU BHAVAN ROAD, SHILAJ, AHMEDABAD-380058, GUJARAT, INDIA.

REGD. OFFICE: S. NO. 125, NEAR KALYANPURA PATIA, VILLAGE ITLA, GANDHINAGAR-MANSA ROAD,
TA. KALOL, DIST. GANDHINAGAR-382845, GUJARAT, INDIA. | CIN: L25209GJ1993PLC019532

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RUSHIL
DECOR LIMITED
WE'LL MAKE IT

ANNUAL REPORT
2020



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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 EBIDTA registered a growth of 11.59% from ₹ 45.14 Cr in 2018-19 to ₹ 40.45 Cr in 2019-20 and EBIDTA 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:

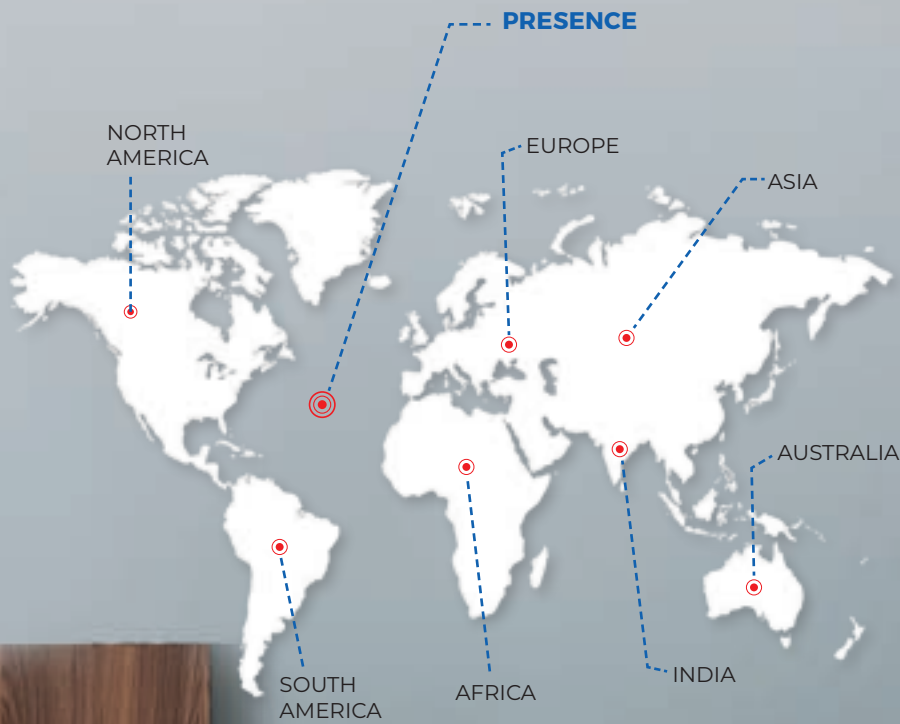
- Interior and exterior applications
- Heavy-duty industrial applications

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



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

**5,760 MT
PER ANNUM**

Capacity

45

Distributors

7

Consignment Stockists

1

Depot

4

Branches

1,950

Dealers

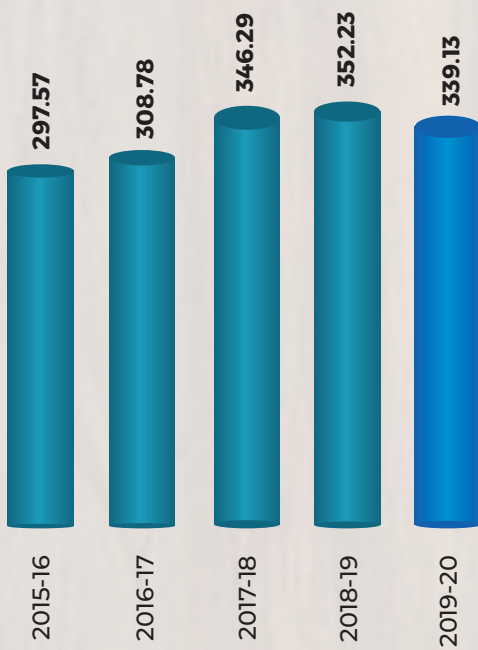
INDIA

Presence

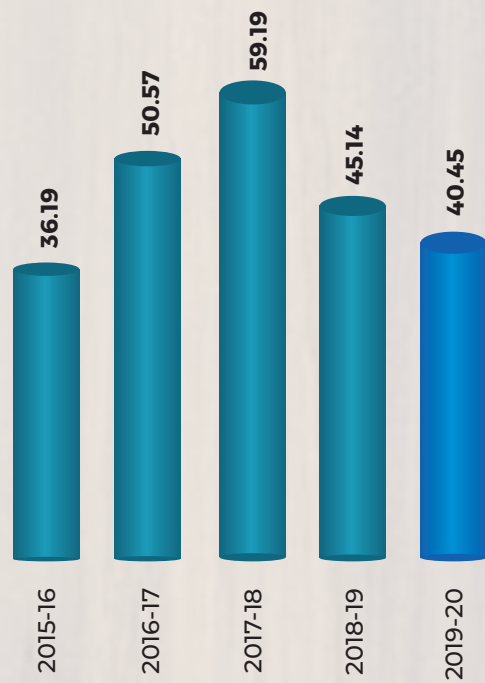


KEY PERFORMANCE INDICATORS

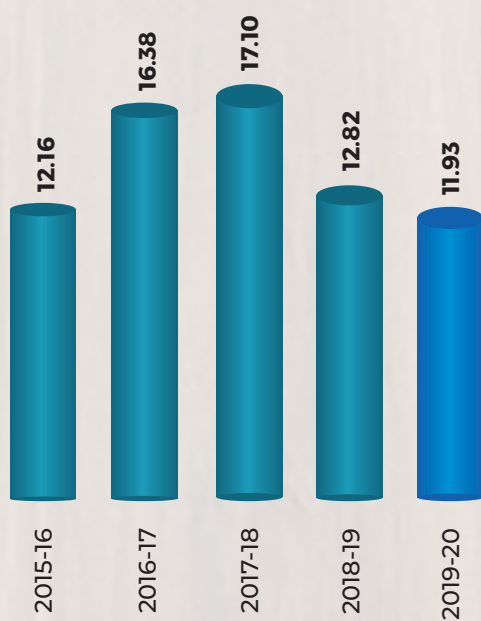
TOTAL REVENUE
(₹ in Cr)



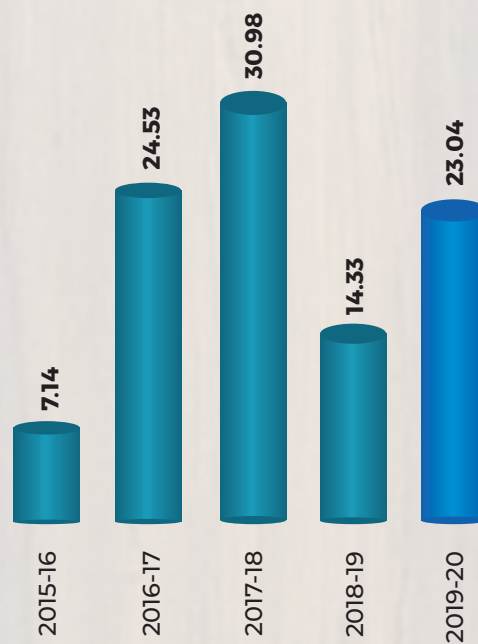
EBITDA
(₹ in Cr)



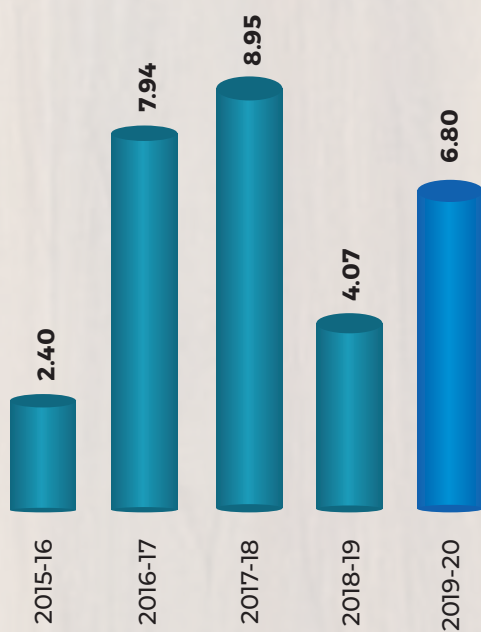
EBITDA Margin (%)



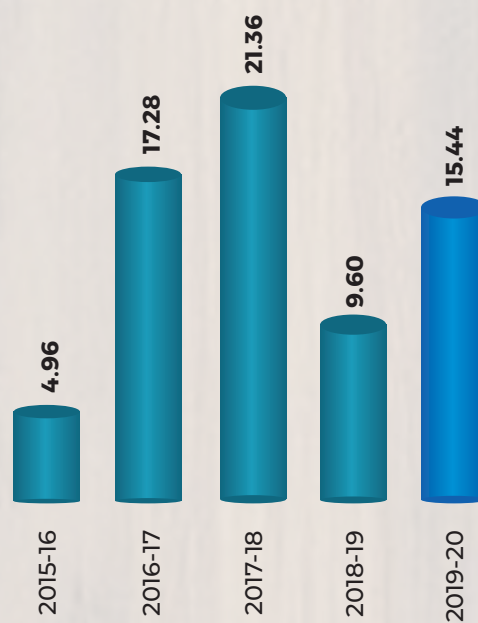
PAT (₹ in Cr)



PAT Margin (%)



EARNINGS PER SHARE (₹)



IMPACTING OUR COMMUNITIES POSITIVELY

RDL is a believer of equality and humanity. As a proactive corporate citizen, the Company contributes towards the upliftment of community. It is a part of the Company's larger spectrum of focus to deliver value to all its stakeholders.

As part of its CSR initiative, RDL regularly undertakes several initiatives to meet its objective of delivering value to all stakeholders. The Company creates social value by ensuring the well-being of the community it operates in. Our social strategy is shaped around the wider socio-economic needs of the communities. Education, health, orphanages, animal welfare, rural development projects and eradication of poverty and hunger are the key focus areas. This in turn creates opportunities for future employment and contributes to economic upliftment.

The Company has a centralised approach to community involvement. It is well supported by a series of initiatives run in partnership with likeminded people.



Notice of 26Th Annual General Meeting

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the members of Rushil Decor Limited (CIN: L25209GJ1993PLC019532) will be held on **Friday, 18th day of December, 2020 at 11:15 AM** through Video Conferencing (VC)/Other Audio Visual Means (OAVM) to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2020 and the Report of the Board of Directors and Auditors thereon.
2. To declare final dividend of ₹ 0.50 (Fifty Paise) per Equity Share of ₹ 10/- each for the Financial Year ended 31st March, 2020.
3. To appoint a Director in place of Mr. Ghanshyambhai A. Thakkar (DIN: 00208843), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **To change the Designation of Mr. Ramanik Tejabhai Kansagara from Director to Whole-Time Director and approve Remuneration payable to him**

To consider and if, thought fit, pass with or without modification the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), rules made thereunder, and Articles of Association of the Company, designation of Mr. Ramanikbhai Tejabhai Kansagara be and is hereby changed from Director to Whole-time Director of the Company w.e.f. 1st August, 2020 for a period of four years upon such terms and conditions including remuneration payable to him as set out in the Statement pursuant to Section 102(1) of the Companies Act, 2013 annexed to the Notice of this Annual General Meeting.

RESOLVED FURTHER THAT any Directors of the Company and/or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution.”

5. **Appointment of Miss Archee Darshanbhai Thakkar (DIN: 08603730) as an Independent Director of the Company for a First term of five consecutive years**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161, read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014, and applicable provision of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Miss Archee Darshanbhai Thakkar, who was appointed as an Additional Independent Director of the Company with effect from 11th day of November, 2019 for a period of five years by the Board of Directors of the company based on the recommendation of Nomination and Remuneration Committee in their meeting held on 11th day of November, 2019, and who holds office up to the date of this Annual General Meeting and who also meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1) of the Listing Regulations and who have submitted a declaration to that effect and in respect of whom the company has received a notice in writing form a Member under Section 160 of Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a first term of Five consecutive years effective from 11th day of November, 2019 to 10th day of November, 2024 on the Board of the Company.

RESOLVED FURTHER THAT any Directors and/or Company Secretary of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

6. **To approve the increase in the Authorised Share Capital and consequent amendment to the Memorandum of Association.**

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

“RESOLVED THAT pursuant to Section 13, 61, 64 and other applicable provisions if any of the Companies Act, 2013 as amended from time to time and as may be applicable, including any statutory

Notice (Contd.)

modifications or re-enactment thereof for the time being in force, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the provisions of the Articles of Association of the Company, subject to approval of the Registrar of Companies, Ahmedabad, consent of the members of the Company be and is hereby accorded for increase in the Authorised Share Capital of the Company from ₹ 20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores) Equity Shares of ₹ 10/- (Rupees Ten) each to ₹ 30,00,00,000/- (Rupees Thirty Crores Only) divided into 3,00,00,000 (Three Crores) Equity Shares of ₹ 10/- (Rupees Ten) each.

RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted as follows:

V. The Authorised Share Capital of the Company is ₹ 30,00,00,000/- (Rupees Thirty Crores Only) divided into 3,00,00,000 (Three Crores) Equity Shares of ₹ 10/- (Rupees Ten) each.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, any Director or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things which may be necessary including but not limited to filing of necessary forms/documents with the appropriate authorities and to execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto."

NOTES:

- In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting through VC / OAVM ("AGM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM and the AGM shall be deemed to be convened and held at the registered office of the Company for the purpose of meeting statutory requirement under the Companies Act, 2013 or any other statute. The Recording/transcript of the AGM shall also be made available on the website of the Company www.rushil.com, as soon as possible after the Meeting is over.
- The explanatory statement setting out the material facts pursuant to Section 102(1) of the Companies Act, 2013, relating to special business under Item No. 4 to 6 to be transacted at the Meeting is annexed hereto and forms part of the notice.

The relevant details as required under Regulation 26(4) and 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India of the Person seeking appointment/re-appointment as Director under Item No. 3 to 5 of the Notice are also annexed.
- Generally, pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorisation etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorisation shall be sent to the Scrutinizer by email through its registered email address to shalin_cs@yahoo.com with a copy marked to evoting@nsdl.co.in and ipo@rushil.com
- In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to e-vote.
- The Company's RTA for its share registry work (physical and electronic) is M/s. Bigshare Services Private Limited located at 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400059, Maharashtra. Tel No.: 022-62638200, Email: investor@bigshareonline.com and Website: www.bigshareonline.com.

Notice (Contd.)

7. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will remain closed from **Saturday, 12th day of December, 2020 to Friday, 18th day of December, 2020** (both days inclusive) for payment of final dividend and Annual General Meeting.
8. The Final dividend, as recommended by the Board, if approved at the AGM, in respect of equity shares held in electronic form will be payable to the beneficial owners of shares as on the end of the day on **Friday, 11th day of December, 2020** as per the details furnished to the Company by Depositories for this purpose.

For shares held in physical form: To all the Members after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company as of the close of business hours on **Friday, 11th day of December, 2020.**

9. Pursuant to the amendments introduced by the Finance Act, 2020 the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders w.e.f. 1st April 2020. No tax will be deducted on payment of dividend to the resident individual shareholders if the total dividend paid does not exceed ₹ 5,000/-. The withholding tax rate would vary depending on the residential status of the shareholder and documents registered with the Company.

A. RESIDENT SHAREHOLDERS:

A.1 Tax Deductible at Source for Resident Shareholders

Sr. No	Particulars	Withholding tax Rate	Documents required (if any)
1	Valid PAN updated in the Company's Register of Members	7.5%	No document required (if no exemption is sought)
2	No PAN/Valid PAN not updated in the Company's Register of Members	20%	No document required (if no exemption is sought)
3	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in the certificate	Lower tax deduction certificate obtained from Income Tax Authority

A.2 No Tax Deductible at Source on dividend payment to resident shareholders if the Shareholders submit and register following documents as mentioned in column no.4 of the below table with the Company / Registrar and Share Transfer Agents (RTA) of the Company

Sr. No (1)	Particulars (2)	Withholding tax rate (3)	Documents required (if any) (4)
1	Submission of form 15G/15H	NIL	Declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to an Individual who is 60 years and above), fulfilling certain conditions.
2	Shareholders to whom section 194 of the Income Tax, 1961 does not apply such as LIC, GIC, etc.	NIL	Documentary evidence that the said provisions are not applicable.
3	Shareholder covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, corporations established by Central Act & mutual funds.	NIL	Documentary evidence for coverage u/s 196 of Income Tax Act, 1961
4	Category I and II Alternative Investment Fund	NIL	SEBI registration certificate to claim benefit under section 197A (1F) of Income Tax Act, 1961

Notice (Contd.)

Sr. No (1)	Particulars (2)	Withholding tax rate (3)	Documents required (if any) (4)
5	<ul style="list-style-type: none"> Recognised provident funds Approved superannuation fund Approved gratuity fund 	NIL	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT)
6	New Pension System Trust	NIL	No TDS as per section 197A (1E) of Income Tax Act, 1961

B. NON-RESIDENT SHAREHOLDERS:

Withholding tax on dividend payment to non-resident shareholders if the non-resident shareholders submit and register following document as mentioned in column no.4 of the below table with the Company / RTA of the Company

Sr. No (1)	Particulars (2)	Withholding tax rate (3)	Documents required (if any) (4)
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	FPI registration number / certificate.
2	Other Non-resident shareholders	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	<p>To avail beneficial rate of tax treaty following tax documents would be required:</p> <ol style="list-style-type: none"> Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received Form 10F filled & duly signed Self-declaration for non-existence of permanent establishment/ fixed base in India <p>(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non- Resident shareholder and review to the satisfaction of the Company)</p>
3	Indian Branch of a Foreign Bank	Nil	<p>Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority</p> <p>Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank</p>
4	Availability of Lower/NIL tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in certificate	Lower tax deduction certificate obtained from Income Tax Authority

Notice (Contd.)

10. The Company will issue soft copy of the TDS certificate to its shareholders through email registered with the Company / RTA of the Company post payment of the dividend.
11. The aforesaid documents such as Form 15G/15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be submitted by email to account@rushil.com with copy marked to ipo@rushil.com on or before 5.00 P.M. IST on **Friday, December 18, 2020** to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Any communication on the tax determination/deduction received post 5.00 P.M. IST on **Friday, December 18, 2020** shall not be considered.
12. Application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members as on the Record Date, and other documents available with the Company / RTA of the Company.
13. In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund.
14. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.
15. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.
16. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts will be used by the Company for the payment of Dividend. The Company or its RTA cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Member. Members holding shares in demat form are requested to intimate all changes pertaining to their bank account details, email address, nominations, power of attorney, change of name, change of address, PIN code etc., only to their Depository Participants if shares held in dematerialised form and to the RTA of the Company if shares held in physical form.
17. Members holding shares in electronic mode may note that their dividend would be paid through National Electronic Clearing System (NECS) or Electronic Clearing Services (ECS) at the available RBI locations. The dividend would be credited to their bank account as per the mandate given by the members to their DPs. In the absence of availability of NECS/ECS facility, the dividend would be paid through warrants.
18. In the absence of availability of NECS/ECS facility, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Member, at the earliest once the normalcy is restored.
19. As per Regulation 40 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, securities of listed companies can be transferred only in dematerialised form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities.

In view of this and to eliminate all risks associated with the physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holding to dematerialised form. Members can contact the company or our RTA - Bigshare Services Private Limited for assistance in this regard. Members can also visit the Company's Website https://rushil.com/investors_pdf/other/Guidance_on_Dematerialisation_of_Physical_Shares.pdf to know the process of Dematerialisation of Shares.
20. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before **December 11, 2020** (Seven days before AGM) through email on ipo@rushil.com. The same will be replied by the Company suitably.
21. Pursuant to provision of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") and relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to Investor Education and Protection Fund ("IEPF") constituted

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by the Central Government. The Company had, during the financial year 2019-20, accordingly transferred ₹ 3,207/- being unpaid and unclaimed dividend amount pertaining to final dividend for financial year 2011-12 to the IEPF. Details of unpaid /unclaimed dividend are also uploaded on the company's website www.rushil.com. Members, who have not encashed Final Dividend for Financial year 2012-13 or any subsequent dividend declared by the Company, are advised to write to the Company immediately at the Corporate office of the company or to the RTA of the company Big Share Services Private Limited at 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400059, Maharashtra. Tel No.: 022- 62638200, email address: investor@bigshareonline.com and website: www.bigshareonline.com.

22. Pursuant to the provisions of IEPF Rules, all equity shares in respect of which dividend has not been paid or claimed for last seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ("IEPF Account") within a period of thirty days of such shares becoming due to be transferred to the IEPF Account. Accordingly, 5 equity shares of ₹ 10/- each on which the dividend remained unpaid or unclaimed for last seven consecutive years with reference to the due date of 20th September, 2019, were transferred during the Financial Year 2019-20 to the IEPF Account, after following the prescribed procedure. Further, all the shareholders who have not claimed / encashed their dividends in the last seven consecutive years from Financial Year 2012-13 are advised to claim the same. In case, valid claim is not received, the Company will proceed to transfer the respective equity shares to the IEPF Account in accordance with the procedure prescribed under the IEPF Rules.
23. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.rushil.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL at <https://www.evoting.nsdl.com/>. Those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 26th AGM and the Annual Report for the year 2019-20 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-
 - a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address ipo@rushil.com.
 - b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
24. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
25. To support the 'Green Initiative', members who have not recorded or registered their email addresses are requested to register their e-mail address and changes, if any, with the Depository Participants, if the shares are held in dematerialised form and with the Company if the shares are held in physical form.
26. All documents referred to in the accompanying notice and explanatory statement will be kept open for inspection at the Registered Office and Corporate Office of the Company on all working days during business hours prior to date of Annual General Meeting.
27. Members can avail the facility of nomination in respect of securities held by them pursuant to the provision of Section 72 of the Companies Act, 2013. Members holding shares in physical form and desiring to avail this facility may send their nomination in the prescribed form duly filled to RTA of the Company. Members holding shares in electronic mode may contact their respective Depository Participant (DP) for availing this facility.
28. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to

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their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company.

29. During the 26th AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>.
30. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
31. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Circulars issued by the Ministry of Corporate Affairs, the Company is pleased to offer the facility of voting through electronic means in respect of the businesses to be transacted at the AGM.

The facility of voting through electronic means is provided through the e- voting platform of National Securities Depository Limited ("remote e-voting").

32. The Members holding shares as on the cut-off date i.e. **Friday, 11th day of December, 2020** shall be reckoned for voting purpose and a person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital in the Company as on the cut-off-date.
33. The instructions for shareholders voting electronically are as under:
 - (i) The voting period begins on **Monday, 14th day of December, 2020** (9:00 am IST) and ends on **Thursday, 17th day of December, 2020** (5:00 pm IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of **Friday, 11th day of December, 2020** may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
 - (ii) The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

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4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

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Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
 2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
 3. Select "EVEN" of company for which you wish to cast your vote.
 4. Now you are ready for e-Voting as the Voting page opens.
 5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 6. Upon confirmation, the message "Vote cast successfully" will be displayed.
 7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- (iii) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- (iv) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
- (v) The procedure for e-voting on the day of the AGM is same as the instructions mentioned above.
- (vi) Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- (vii) The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
34. INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:
- (i) Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholders/ members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
 - (ii) Members are encouraged to join the Meeting through Laptops for better experience.
 - (iii) Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
 - (iv) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

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- (v) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (vi) Members who would like to express their views or ask questions during the AGM may register themselves as a speaker 7 days prior to meeting by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at ipo@rushil.com. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- (vii) Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800-222-990.

35. Other Instructions:

- i) The Scrutinizer shall, immediately after the conclusion of voting at the Meeting, would count the votes cast during the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

- ii) The Results on above resolutions shall be declared not later than 48 hours from the conclusion of the Meeting of the Company and the resolutions will be deemed to be passed on the Meeting date subject to receipt of the requisite number of votes in favor of the resolutions.
- iii) The results of voting declared along with Scrutinizer's Report(s) will be published on the website of the Company (www.rushil.com) and on the website of NSDL e-Voting at <https://www.evoting.nsdl.com/> within 48 hours from the conclusion of the Meeting and the same shall also be simultaneously communicated to the BSE Limited and National Stock Exchange of India Limited.
- iv) The Company has appointed CS Shalin Jain, Practicing Company Secretary (ACS Membership No: 30427 & CP No.: 21379) as the Scrutinizer for overseeing remote e-voting process in a fair and transparent manner.
- v) The shareholders are requested to write to the Company Secretary at the below mentioned address for resolving their grievances:

Name: Modi Hasmukh Kanubhai
Designation: Company Secretary
Address: Rushil House, Near Neelkanth Green Bungalow, Off. Sindhu Bhavan Road, Shilaj, Ahmedabad -380058
Email: ipo@rushil.com
Telephone: (079) 61400400
Fax: (079) 61400401

Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013

FOR ITEM NO. 4:

At the 25th Annual General Meeting of the Company held on 21st September, 2019, the members had appointed Mr. Ramanik Tejabhai Kansagara as a Director of the Company, liable to retire by rotation.

Mr. Ramanik Tejabhai Kansagara is under graduate and since 1994 he is associated with the Company at three Laminated Sheets Manufacturing Plants. Presently, he is looking the total production process at the laminate sheet manufacturing plants. He has a wide experience of around 28 years in the Laminate Industry. He is trust worthy and has given his contribution for expansion and development of the company. He has entrusted the substantial control of the affairs of the manufacturing Laminate plants of the Company. He has wide experience and expertise about the quality and rate of raw material, functioning of plant and machinery, customer requirements, administration and management, budgeting, etc.

In view of his rich and vast experience and distinguished career, the Board considers that his continued association would be of immense benefit to the Company.

Based on the recommendations of the Nomination & Remuneration Committee, in the Board Meeting held on 30th July, 2020, the Board of Directors of the Company (“the Board”) have changed the designation of Mr. Ramanik Tejabhai Kansagara from Director to Whole Time Director of the Company w.e.f. 1st August, 2020 for a period of four years and also approved the remuneration payable to him subject to the approval of the members in General meeting.

Members’ approval is sought to change the designation of Mr. Ramanik Tejabhai Kansagara from Director to Whole-time Director of the Company and to approve remuneration payable to him in terms of the applicable provisions of the Companies Act, 2013 (“the Act”).

Detailed particulars of terms and conditions including remuneration payable to Mr. Ramanikbhai Tejabhai Kansagara are as follows:

TENURE OF APPOINTMENT:

Mr. Ramanik Tejabhai Kansagara shall hold office of a Whole-time Director of the Company for a period of four years from 1st August, 2020 up to 31st July, 2024, liable to retire by rotation.

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

situated at Gujarat. He may also carry out such duties as may be decided by the Board of Directors from time to time.

Mr. Ramanikbhai Tejabhai Kansagara was already nominated by the Board of Directors of the Company at their meeting held on 2nd February, 2019 as “occupier” under the Section 2(n) in The Factories Act, 1948 for controlling the affairs of all the Factories of the Company and carry out such functions and roles as mentioned under the Factories Act, 1948 from time to time and he shall be continued for the said post.

AGGREGATE REMUNERATION:

Gross remuneration of ₹ 1,79,218/- (Rupees One Lakh Seventy Nine Thousand Two Hundred and Eighteen Only) per month inclusive of perquisites and allowances with such periodical increments or changes as may be decided by the Human Resource Department of the Company from time to time however that the aggregate remuneration will not exceed the maximum permissible limit as prescribed under Section 197 of the Companies Act, 2013 during the tenure of his appointment.

BENEFITS, PERQUISITES AND OTHER ALLOWANCES:

Perquisites, Allowances and other benefits as decided by the Human Resource Department of the Company will be provided and it will be considered in aggregate remuneration except perquisites prescribed under Section IV of Part II of Schedule V of the Companies Act, 2013, if any provided by the Company, which shall not be included in the computation of the ceiling on remuneration as prescribed under Section 197 of the Companies Act, 2013.

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 in such manner as may be agreed between the Board and the Appointee subject to the compliances of provisions and schedule V of the Companies Act, 2013 and other applicable laws.
- ii. All personnel policies of the Company and the related rules which are applicable to other employees and Directors of the Company will 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 code of conduct applicable to all Board Members and Senior Management Personnel of Rushil Décor Limited, no conflict of interest with the company and maintenance of confidentiality.

Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013 (Contd.)

Mr. Ramanikbhai Tejabhai Kansagara satisfies all the conditions set out in Part-I of Schedule V to the Act and also conditions set out under sub-section (3) of section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of section 164 of the Act.

The Whole-time Director shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.

Mr. Ramanikbhai Tejabhai Kansagara will be considered as "Rotational Director" of the Company as per Section 152 of the Companies Act, 2013.

Brief resume and other details of Mr. Ramanik T. Kansagra whose appointment is proposed here provided in the annexure to the Explanatory Statement attached herewith.

Resolution set out in Item No. 4 and its explanatory statement no. 4 will be treated as written memorandum setting out terms of appointment as whole-time director under Section 190(1)(b) of the Companies Act, 2013.

None of the other directors / Key Managerial Personnel of the Company / their relatives other than Mr. Ramanik T. Kansagra or his relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Resolution set out in Item No. 4 of the Notice for approval by the shareholders as an Ordinary Resolution.

FOR ITEM NO. 5

The Board of Directors of the Company appointed Miss Archee Darshanbhai Thakkar (DIN: 08603730) as an Additional Independent Director of the Company at its meeting held on 11th November, 2019 with effect from 11th November, 2019 for a period of five years under section 161(1) of the Companies Act, 2013 based on the recommendation of the Nomination and Remuneration Committee given in its meeting held on 11th November, 2019. In terms of Section 161(1) of the Companies Act, 2013, she holds office only up to the date of the ensuing Annual General Meeting ('AGM') but she is eligible for appointment as an Independent Director, whose office shall not be liable to retire by rotation. The Company has in terms of Section 160(1) of the Companies Act, 2013 received a notice in writing from a Member proposing her candidature for the office of Independent Director of the Company.

Miss Archee Thakkar has completed Inter stage of Chartered Accountancy Course and has ability to read and understand

basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.

Further, Miss Archee possesses relevant expertise and experience and fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder and she is independent of the management.

The Company has received from Miss Archee Darshanbhai Thakkar (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 (ii) Intimation in form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under section 164(2) of the Companies Act, 2013 and (iii) Declaration to the effect that she meets the criteria of independence as provided in section 149 (6) of the Companies Act, 2013 read with Regulation 16(1) and Regulation 25(8) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and (iv) Declaration pursuant to BSE circular No. LIST/COMP/14/2018-19 dated June 20, 2018 that she is not been debarred from holding office of director by virtue if any order passed by Securities and Exchange Board of India or any other such authority.

Brief resume and other details of Miss Archee Darshanbhai Thakkar whose appointment is proposed hereby provided in the annexure to the Explanatory Statement attached herewith.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Miss Archee Darshanbhai Thakkar as an Independent Director.

The terms and conditions of appointment of Miss Archee Darshanbhai Thakkar shall be open for inspection through electronic mode and the same shall also be available at the Company's website www.rushil.com.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Miss Archee Darshanbhai Thakkar as Independent Director is now being placed before the Members for their approval.

Save and except Miss Archee D. Thakkar, none of the other directors / Key Managerial Personnel's of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Resolution set out in Item No. 5 of the Notice for approval by the shareholders as an Ordinary Resolution.

Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013 (Contd.)

FOR ITEM NO. 6

The current Authorised Share Capital of the Company is ₹ 20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores) Equity Shares of ₹ 10/- (Rupees Ten) each.

In order to meet the future funding requirements of the Company, if any, extra Authorised Share Capital should be available with the Company for issuing fresh equity share capital. Therefore, the Company is require to increase its Authorised Share Capital and consequential alteration to the existing Clause V of the Memorandum of Association of the Company.

The Board at its meeting held on **October 31, 2020** has proposed to increase the authorised share capital to ₹ 30,00,00,000/- (Rupees Thirty Crores Only) divided into 3,00,00,000 (Three Crores) Equity Shares of ₹ 10/- (Rupees Ten) each.

Pursuant to the provisions of Sections 13 and other applicable provisions of the Companies Act, 2013, increase in the authorised share capital and alteration of the capital clause of the Memorandum of Association, requires

approval of the members.

The Board recommends the resolution set forth in Item No. 6 relating to the increase in the Authorised Share Capital and consequent amendment to the Memorandum of Association for the approval by the Members of the Company by way of an Ordinary Resolution.

None of the Director, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the resolutions set forth in Item No. 6.

By Order of the Board,
For Rushil Décor Limited

Date: 31.10.2020
Place: Ahmedabad

Hasmukh K. Modi
Company Secretary

Registered Office: S. No. 125, Nr. Kalyanpura Patia,
Vill. Itla, Gandhinagar Mansa Road,
Tal. Kalol, Dist. Gandhinagar - 382845.

Corporate Identification Number:

L25209GJ1993PLC019532

Website: www.rushil.com

Annexure to Item No. 3 To 5 of the Notice

Information as required under Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India with respect to the Appointment / Re-appointment of Directors at the ensuing Annual General Meeting is as under:

Name of the Director	Mr. Ghanshyambhai A. Thakkar	Mr. Ramanikbhai Tejabhai Kansagra	Miss Archee Thakkar
Director Identification Number	00208843	08341541	08603730
Date of Birth	18.11.1943	15.09.1963	17.03.1994
Date of joining the Board	08.03.2007	02.02.2019	11.11.2019
Qualification	B.Sc., Diploma in Civil Engineering	Undergraduate	Inter Chartered Accountant
Nature of expertise in specific functional areas	Vast Experience in General Management, Production and Purchase. He has experience of more than 40 years in the laminate and wood-based industry.	Vast experience in production of laminate sheets	She has Experience in the field of Audit, Accounting and Taxation.
No. of Shares held in the Company as on 31st March, 2020	1990900	NIL	NIL
Directorship (Other than Rushil Décor Limited)	NIL	NIL	NIL
Committee Memberships/ Chairmanship held in other Companies (Other than Rushil Décor Limited)	NIL	NIL	NIL
Disclosure of relationships between Directors inter-se	Mr. Ghanshyambhai A. Thakkar is a father of Mr. Krupeshbhai G. Thakkar (Managing Director) of the Company	No relationship	No relationship

Board's Report

To

The Members,

Your Directors are pleased to present the 26th Annual Report of Rushil Décor Limited ("the Company") together with the audited financial statements for the year ended 31st March, 2020.

FINANCIAL SUMMARY AND HIGHLIGHTS

The financial performance for the year ended 31st March, 2020 is summarised below:

	(₹ in Lakhs)	
Particulars	2019-20	2018-19
Revenue from Operations	33559.80	34374.21
Other Income	353.58	849.02
Profit before Depreciation, Finance Costs and Tax Expense	4044.99	4513.89
Less: Depreciation and Amortisation Expenses	868.94	862.91
Profit before Finance Costs and Tax Expense	3176.06	3650.98
Less: Financial Costs	1204.43	1359.04
Profit before Tax Expense	1971.62	2291.94
Less: Tax Expense (Current & Deferred)	(333.35)	858.44
Profit after Tax	2304.97	1433.50
Add: Other Comprehensive Income/loss for the year	32.89	(3.35)
Total Comprehensive Income	2337.86	1430.15
Balance of Retained Earnings for earlier years	9171.07	7830.92
Less: Final Dividend Paid	74.66	74.66
Less: Tax on Final Dividend	15.34	15.34
Balance carried forward	11418.93	9171.07

COMPANY'S FINANCIAL PERFORMANCE

Net revenue from operations decreased to ₹ 33559.80 Lacs as against ₹ 34374.21 Lacs in the previous year showing a decline of ₹ 814.41 Lacs.

The Profit before Tax for the current year is ₹ 1971.62 Lacs as against ₹ 2291.94 Lacs in the previous year showing a decline of ₹ 320.32 Lacs.

The Profit after Tax (PAT) for the current year is ₹ 2304.97 Lacs as against the profit of ₹ 1433.50 Lacs in the previous year.

The overall financial performance of the Company is affected mainly due to Laminates and allied products revenues gone down from ₹ 182.93 Crores in last year to ₹ 163.37 Crores in the FY 2019-20. Further, Laminates and allied products division's PBIT is also gone down by ₹ 3.29 Crores in the FY 2019-20. During the year, Company carried out some sales promotion expenses for Laminate product keeping in mind to capture the market in competition. Further, the MDF

Board division's PBIT is also increased by ₹ 1.97 Crores in FY 2019-20.

The detail about the segment-wise position of business is mentioned in the Management Discussion and Analysis Report.

MATERIAL CHANGES & COMMITMENT AFFECTING FINANCIAL POSITION :

RIGHTS ISSUE OF EQUITY SHARES

During the year 2019-20, the Board of Directors in its meeting held on November 11, 2019 has approved to raise fund by way of issue of Rights Equity shares approximately of ₹ 25 Crores from its Eligible shareholders.

Further, The Fund Raising Committee of the Board of Directors of Rushil Decor Limited ("Company"), in its meeting held on September 4, 2020, has approved Issue of up to 49,77,111 Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ 50 per Rights Equity Share (including a premium of ₹ 40 per Rights Equity Share)

Board's Report (Contd.)

on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 01 (one) Rights Equity Share for every 03 (three) Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date, 25% of the Issue Price viz. ₹ 12.5/- per Rights Equity Share will be payable on application (“**Rights Issue**”).

The documents related to Rights Issue are posted on the Website of the Company at https://rushil.com/investor_relationship.php#RightsIssue

Further, in accordance with (i) the Letter of Offer dated September 7, 2020, and (ii) the Basis of Allotment finalised in consultation with the Lead Manager, the Registrar to the Rights issue and BSE Limited, (the Designated Stock Exchange for the Rights issue), the Fund Raising Committee of the Board of Directors of the Company, in its meeting held on October 15, 2020 has approved the allotment of 49,77,111 Partly Paid-up Rights Equity Shares of face value of ₹ 10/- each at price of ₹ 50 per Rights Equity Share (including premium of ₹ 40 per Rights Equity Share) to the eligible applicants, paid-up per share ₹ 2.5 (“Partly-Paid up Rights Equity Shares”). Partly-Paid up Rights Equity Shares is listed under the ISIN IN9573K01015 on BSE Limited and National Stock Exchange of India Limited (“both Stock Exchanges”) and trading of Partly-Paid up Rights Equity Shares was commenced from October 21, 2020 on both Stock Exchanges.

The Company has decided in the Board Meeting held on October 31, 2020, to send call notice for payment of First Call Money of ₹ 12.5 per Rights Equity Share, to fix due date for payment of First Call Money and fixed Record Date i.e. November 11, 2020 for the purpose of deciding Shareholders to whom First Call Notice to be sent and who is liable to pay First Call Money.

Except above, there are no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year 2019-20 and the date of this Report.

TRANSFER TO RESERVES

The Board of Directors of your company has decided not to transfer any amount to the Reserves for the year under review.

DIVIDEND

The Board of Directors of your company, in its meeting held on 30th day of July, 2020 has recommended a final dividend of ₹ 0.50 (Fifty Paise) (@ 5%) per equity share of

the face value of ₹ 10/- each fully paid up for the financial year ended 31st March, 2020, subject to the approval of the Members at the ensuing 26th Annual General Meeting. The Final dividend is payable to those Shareholders whose names appear in the Register of Members as on the Book Closure / Record Date.

INDUSTRY OVERVIEW

Company has two main business segments, i.e. MDF and laminates. In FY 2019-20, MDF contributed 49.78% of Company's revenue and laminates contributed 48.68% of revenue. During the year, new capacities were added in Thin and Thick MDF Industry which ultimately result in aggressive price cuts. The price cut was largely driven by incremental capacities coming on ground mainly in North and South India.

This very badly impacted to the industry volumes as the dealers were anticipating further price cut by other Companies thereby maintaining thin inventories in the business.

It was ultimately triggered to lower realisations and significant margin pressure in the MDF segment.

Our new MDF Board production plant will come in operation in the South India (Andhra Pradesh) with additional capacity of 800 CBM per day. This is expected to substitute imports in a big way due to logistical savings and a depreciating INR. It is also expected to take position of plywood because there is very big gap between utilisation of plywood and MDF Board.

GLOBAL PANDEMIC – COVID-19

The COVID-19 pandemic has caused an unprecedented global recession with adverse consequences on unemployment and poverty. Rolling lockdowns and social distancing restrictions on account of the pandemic are expected to significantly impact economic activity in all major markets, and cause demand compression.

Further, Due to COVID-19 pandemic there is significant market reaction in the Manufacturing Industry as all the manufacturing units, branches of the company were closed during the Lockdown period and also there is loss of production capacity as well as the transportation, warehouse and other utilities related to production were also adverse to the Company's revenue. The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity.

Board's Report (Contd.)

COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lockdown of production facilities etc. On March 24, 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.

Despite the threat posed by COVID-19 pandemic, the Company apprehends to retain a competitive position in the market by leveraging its brand image and quality products. Further, based on the latest report of UNCTAD it is expected that the course correction of economic recovery in India will be smoother and faster than that of many other advance countries.

CAPITAL STRUCTURE

During the year, Company has not made any issue or allotment of shares and hence the share capital of the Company remains unchanged.

CREDIT RATING

The details on credit rating(s) of Securities as availed by the Company are disclosed in the Corporate Governance Report forming part of this Annual Report.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

a) Details of unclaimed/unpaid dividend and shares transfer to IEPF

Pursuant to the provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund

b) Year wise amount of unpaid/unclaimed dividend lying in the unpaid account upto 31.03.2020, which are liable to be transferred to the IEPF, and the due dates for such transfer.

The below table gives information relating to various outstanding dividends and the due dates of transfer to IEPF Authority:

Date of dividend declaration	Unclaimed Dividend (As on 31st March, 2020)	Due date of Transfer to IEPF Authority
Final Dividend for FY 2012-13, AGM held on 27-09-2013	8312.00	28-10-2020
Interim Dividend in FY 2015-16, Board Meeting held on 12-03-2016	51194.00	15-04-2023
Final Dividend for FY 2015-16, AGM held on 27-09-2016	11982.50	29-10-2023
Final Dividend for FY 2016-17, AGM held on 23-09-2017	3648.00	24-10-2024
Final Dividend for FY 2017-18, AGM held on 22-09-2018	58,570.50	22-10-2025
Final Dividend for FY 2018-19, AGM held on 21-09-2019	46,639.00	25-10-2026

Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("The Rules"), the Company had sent individual notices to the shareholders who have not claimed their dividends for past seven consecutive years. The Company had also advertised the same in the Financial Express Newspaper of dated June 13, 2019 seeking action from the shareholders who have not claimed their dividends for past seven consecutive years. The Company had transferred Unpaid/Unclaimed Dividend Amount of ₹ 3207.00 for FY 2011-2012 to Investor Education and Protection Fund (IEPF). In accordance with Section 124(6) of the Companies Act, 2013 read with IEPF Rules, the Company had also transferred total 5 equity shares held by 5 shareholders to the IEPF Authority in the month of October, 2019 who have not claimed their dividends for past seven consecutive years from the date of transfer to the unpaid dividend account.

The details of such shares transferred have been uploaded in the Company's website at:

https://rushil.com/admin/uploads/investors_pdf/iepf/Details_of_Equity_Shares_due_to_be_Transfer_to_IEPF_20.09.2019.pdf

The Shareholders /claimants whose shares and unclaimed dividend have been transferred to the IEPF Account may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF-5 along with requisite fee as decided by the IEPF Authority from time to time.

Board's Report (Contd.)

As per above table, the Company will transfer the shares on which the dividend has remained unclaimed for a period of seven consecutive years to the IEPF Authority at the due date. The Company has sent individual letters to the shareholders for claiming the said dividend and has also advertised the same in the newspapers in accordance to the Rules. Members are therefore requested to ensure that they claim the dividends referred above before they are transferred to the IEPF Account.

Details of shares/shareholders in respect of which dividend has not been claimed, are provided on our website at https://rushil.com/investor_relationship.php#a268. The same can also be accessed from the website of IEPF Authority at www.iepf.gov.in. The shareholders are therefore encouraged to verify their records and claim their dividends of all the earlier seven years, if not claimed.

c) Details of Nodal Officer

The details of Nodal Officer required under Rule 7(2A) as inserted by the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2017 is as under:

- Name of the Nodal Officer: Mr. Hasmukh Kanubhai Modi
- Designation: Company Secretary
- Postal Address: Rushil Décor Limited, Rushil House, Near Neelkanth Green Bungalow, Off Sindhu Bhavan Road, Next to GIHED CREDAI, Shilaj, Ahmedabad – 380058
- Email ID: ipo@rushil.com

The aforesaid detail is also available on the web address of the Company at https://rushil.com/admin/uploads/investors_pdf/iepf/Nomination_of_Nodal_officer.pdf

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Retirement by rotation and subsequent re-appointment:

Mr. Ghanshyambhai A. Thakkar (DIN 00208843), Whole Time Director, is liable to retire by rotation at the ensuing Annual General Meeting, pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time

being in force), and being eligible have offered himself for re-appointment.

Appropriate business for his re-appointment is being placed for the approval of the shareholders of the Company at the ensuing AGM. The brief resume of the Director and other related information has been detailed in the Notice convening the ensuing AGM of the Company.

Change in Board Composition

Based on the recommendation of the Nomination and Remuneration Committee and approval of the same by the Board at its Meeting held on 11th November, 2019, the Board of Directors appointed Miss. Archee Thakkar (DIN: 08603730) as an Additional Director in the capacity of Independent Director w.e.f 11th November, 2019 upto the date of ensuing Annual General Meeting. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Miss. Archee Thakkar holds office till the date of the ensuing Annual General Meeting and is eligible for appointment as an Independent Director of the Company. Appropriate business for her appointment is being placed for the approval of the shareholders of the Company at the ensuing AGM.

During the year under review, Ms. Jingle Thakkar (DIN: 06941497), who is an Independent Director of the Company, resigned from the Board as well committee of the Board of the Company w.e.f 21st November, 2019 due to personal reasons. The Board placed on record her appreciation for the valuable services and guidance provided by her during the tenure of her Directorship.

Further, based on the recommendation of the Nomination and Remuneration Committee and approval of the same by the Board at its Meeting held on 30th July, 2020, subject to approval of the Members in the ensuing AGM, the Board of Directors has changed the designation of Mr. Ramanik T. Kansagra from Director to Whole-time Director of the Company w.e.f 01.08.2020 for a period of four years on terms of remuneration as recommended by the Nomination and Remuneration Committee.

Appropriate business in this behalf is being placed for the approval of the members of the Company at the ensuing AGM.

Key Managerial Personnel

As per the provisions of Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014,

Board's Report (Contd.)

Mr. Ghanshyambhai A. Thakkar, Whole time Director, Mr. Krupesh G. Thakkar, Managing Director, Mr. Ramnikbhai T. Kansagara, Whole time Director, Mr. Keyur M. Gajjar, Chief Executive Officer, Mr. Vipul S. Vora, Chief Financial Officer and Mr. Hasmmukh K. Modi, Company Secretary, are the key managerial personnel of the Company.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have submitted the declarations of Independence, as required under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the SEBI (LODR) Regulations, 2015 that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 as well as clause (b) of sub-regulation (1) of regulation 16 of the SEBI (LODR) Regulations, 2015 and that he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgment and without any external influence and that he/she is independent to management. The Independent directors have complied with the code for independent director as prescribed in schedule IV of the Companies Act, 2013.

All the Independent Directors of the Company have enrolled their names in the online database of Independent Directors by Indian Institute of Corporate Affairs in terms of the recently introduced regulatory requirements. Also, the online proficiency self-assessment test as mandated will be undertaken by those Independent Directors of the Company who are not exempted within the prescribed timelines.

The company had formulated and implemented code of conduct for the board of directors and senior management personnel which is available on the Company's website: https://rushil.com/admin/uploads/investors_pdf/codes_policies/or-management-under-Regulation-17-of-the-SEBI-LODR-Regulation-2015.pdf

NUMBER OF MEETINGS OF THE BOARD AND ITS COMMITTEES

The details of the meetings of Board of directors and its Committees convened during the Financial Year 2019-20 are set out in the Corporate Governance Report, which forms part of this Report.

BOARD COMMITTEES

There are various committees constituted as stipulated under the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility (CSR) Committee. Brief details pertaining to composition, terms of reference, meetings held and attendance thereof of these Committees during the financial year 2019-20 has been enumerated in Corporate Governance Report.

AUDIT COMMITTEE RECOMMENDATIONS

During the year, all recommendations of Audit Committee, if any were approved by the Board of Directors.

NOMINATION AND REMUNERATION POLICY

The Company has formulated and adopted the Nomination and Remuneration Policy in accordance with the provisions of the Companies Act, 2013 read with the Rules framed thereunder and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Committee have formulated the criteria for appointment of Executive, Non-Executive and Independent Directors on the Board of Directors of the Company and persons in the Senior Management of the Company, their remuneration including determination of qualifications, positive attributes, independence of Directors and other matters as provided under sub-section (3) of Section 178 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The salient aspects covered in the Remuneration policy have been outlined in the corporate governance report which forms part of this report.

EVALUATION OF THE PERFORMANCE OF THE BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 read with Rules framed there under and in compliance with the requirements of SEBI (LODR) Regulations, 2015, the Board has carried out the annual evaluation of the performance of the Board as a whole, Individual Directors including Independent Directors, Non-Independent Directors, Chairperson and the Board Committees. A structured questionnaire was prepared after taking into consideration the inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Meetings of the board, functioning of the board, effectiveness of board processes, Board culture, execution and performance of specific duties, obligations and governance.

Board's Report (Contd.)

The exercise was also carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board excluding the director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Key Managerial Personnel. The Directors expressed their satisfaction with the evaluation process.

REMUNERATION OF DIRECTORS AND EMPLOYEES OF THE COMPANY

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/employees of the Company is set out in "Annexure - [1]" of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the requirements of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, Board of Directors of the Company, hereby state and confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2020, the applicable accounting standards have been followed and there are no material departures from the same;
- (b) they have selected such accounting policies and applied them consistently and 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 as at 31st March, 2020 and of the profit and loss of the Company for the financial year ended 31st March, 2020;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to

be followed by the Company and that such internal financial controls are adequate and operating effectively; and

- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

INTERNAL FINANCIAL CONTROLS SYSTEMS AND THEIR ADEQUACY

The Board has adopted policies and procedure for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

During the year no reportable material weakness in the design or operation were observed.

FRAUDS REPORTED BY THE AUDITOR

The auditor of the Company has not reported any fraud to the Audit Committee or Board or to the Central Government under Section 143(12) of the Companies Act, 2013.

PUBLIC DEPOSITS

During the year under review, Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Further, Company does not have any deposit which is in violation of Chapter V of the Act.

LOANS TAKEN FROM DIRECTORS OF THE COMPANY

During the year under review, the Company has taken unsecured loans from Directors of the Company. Details of Unsecured Loans taken from Directors of the Company are given in the Notes to the Financial Statements forming part of Annual Report.

Director, who has given unsecured loans to the Company, has furnished to the company at the time of giving the loan, a declaration in writing to the effect that the amount is not being given out of funds acquired by him by borrowing or accepting loans or deposits from others.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The details of Loans, guarantee and Investments covered under the provisions of Section 186 of the Act are given in the Notes to the Financial Statements forming part of Annual Report.

Board's Report (Contd.)

RELATED PARTY TRANSACTIONS

During the FY 2019-20, Company has entered into some transactions with related parties as defined under Section 2(76) of the Companies Act, 2013, which were in the ordinary course of business and at arms' length basis. Further, the transactions were in accordance with the provisions of the Companies Act, 2013, read with rules framed thereunder and the SEBI (LODR) Regulations, 2015. All transactions with related parties were entered with approval of the Audit Committee.

The details of the related party transactions as required under IND AS - 24 are set out in **Notes** to the financial statements.

The Company has formulated a policy on related party transactions; the same is available on Company's website at https://rushil.com/admin/uploads/investors_pdf/codes_policies/Rushil_Related_Party_Transaction_Policy.pdf

The detail disclosure of these transactions in Form AOC- 2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as "**Annexure [2]**" to this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR initiatives of the Company, during the financial year 2019-20 carried out in areas of promoting education, preventive health care and sanitation, Eradicating hunger, poverty and malnutrition (food supply), old age home and such other facilities for senior citizen, rural development etc. These activities are in accordance with Schedule VII of the Companies Act, 2013 and CSR Policy of the Company.

The CSR expenditure incurred by the Company during the FY 2019-20 as well as other details of initiatives undertaken by the Company during the Financial Year in CSR has detailed in this Annual Report. The Annual Report on CSR activities is attached as **Annexure - [3]** to this Report.

The Policy on CSR of the company Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 is available on https://rushil.com/admin/uploads/investors_pdf/codes_policies/Corporate_Social_Responsibility_Policy.pdf

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed here with as "**Annexure - [4]**".

RISK MANAGEMENT POLICY

The Company has a robust Risk Management policy. The Company through Board and Audit Committee oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. Risk Management forms an integral part of the Company's planning process.

The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the business and functions are systematically addressed through mitigating actions on continuing basis.

There are no risks, which in the opinion of the Board threaten the existence of the Company.

VIGIL MECHANISM

Your Company has established a Vigil Mechanism/ Whistle Blower Policy which is in compliance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 4(2)(d)(iv) read with Regulation 22 of the SEBI (LODR) Regulations, 2015. The policy enables stakeholders, including individual employees, directors and their representative bodies, to freely communicate their concerns about illegal or unethical practices, instances of unethical behavior, actual or suspected fraud or violation of the company's code of conduct. The Policy provides adequate safeguards against victimisation of Director(s)/ employee(s) and direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The Protected Disclosures, if any reported under this Policy will be appropriately and expeditiously investigated by the Chairman.

Your Company hereby affirms that no Director, employee or any other personnel has been denied access to the Chairman of the Audit Committee and that no complaint was received during the year.

The Whistle Blower Policy has been disclosed on the Company's website under the web link https://rushil.com/admin/uploads/investors_pdf/codes_policies/Whistle_Blower_Policy.51.pdf and circulated to all the Directors / employees.

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

There are no other significant/material orders passed by the Regulators, Courts, Tribunals, Statutory and quasi-judicial body impacting the going concern status of the Company and its operations in future.

Board's Report (Contd.)

The details of litigation on tax and other related matters are disclosed in the Auditor's Report and Financial Statements which forms part of this Annual Report.

AUDITORS

STATUTORY AUDITOR

M/s. Parikh & Majmudar, Chartered Accountants were appointed as Statutory Auditors of the Company at the AGM held on September 27, 2016 for a term of five consecutive years.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report dated 30th July, 2020 is unmodified and does not contain any qualification, reservation or adverse remark.

No fraud has been reported by the Auditors to the Audit Committee or the Board.

SECRETARIAL AUDITOR

The Board has appointed M/s. Shalin Jain & Associates, Practicing Company Secretaries, Ahmedabad to undertake the Secretarial Audit of the Company for the financial year 2019-20 pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the SEBI (LODR) Regulations, 2015 as amended.

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report in the prescribed Form No. MR – 3 for the Financial Year 2019-20 is annexed herewith as “Annexure - [5]” to this Report. The Secretarial Auditor has not reported any qualification, reservation or adverse remark or disclaimer in his report.

Your Company has also obtained certificate from the secretarial auditor certifying that none of the directors of our Company has been debarred or disqualified from being continuing as directors of the Company by SEBI, Ministry of Corporate Affairs or such similar statutory authority.

The Company has also filled the Secretarial Compliance Report for the financial year ended March 31, 2020 to the Stock Exchnages in relation to compliance of all applicable SEBI Regulations/circulars/ guidelines issued thereunder, pursuant to requirement of Regulation 24A of SEBI (LODR) Regulation, 2015.

COMPLIANCE WITH SECRETARIAL STANDARD

The Company has complied with Secretarial Standards 1

and 2 issued by the Institute of Company Secretaries of India on Board meetings and General Meetings respectively.

IMPLEMENTATION OF CORPORATE ACTION

During the year under review, the Company has not failed to implement any Corporate Actions within the specified time limit.

ANNUAL RETURN

As per MCA Notification dated August 28, 2020, the extract of the Annual Return of the Company as on 31st March, 2020 in Form MGT - 9 in accordance with Section 92 (3) of the Act read with Companies (Management and Administration) Rules, 2014, is available on the website of the Company at www.rushil.com.

COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act, are not applicable for the business activities carried out by the Company.

DETAILS OF UTILISATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT:

During the year under consideration company has not raised funds through preferential allotment.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As per requirements of SEBI (LODR) Regulations, 2015, a detailed review of the developments in the industry, performance of the Company, opportunities and risks, segment wise and product wise performance, internal control systems, outlook etc. of the Company is given under the head Management Discussion and Analysis Report, which forms part of this Annual Report.

CORPORATE GOVERNANCE REPORT

The report on Corporate Governance along with a certificate from the Practicing Company Secretary on its compliance for the Financial Year 2019-20, as per Regulation 34(3) read with Schedule V of the SEBI (LODR) Regulations, 2015 forms part of the Annual Report.

DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has adopted zero tolerance for sexual harassment at workplace and has formulated a policy on Prevention, Prohibition and Redressal of Sexual

Board's Report (Contd.)

Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and Redressal of complaints of sexual harassment at workplace.

The policy aims to provide protection to employees at workplace and prevent and redress complaints of sexual harassment and for the matters connected and incidental thereto, with the objective of providing safe working environment, where employees feel secure.

An Internal Complaints Committee has been set up to Redress complaints related to sexual harassment. During the Financial year 2019-20, the company has not received any complaint of sexual harassment at workplace. Further, there was not any complaint pending at the beginning of the year or at the end of the year.

ACKNOWLEDGEMENT

The Board wishes to place on record its sincere appreciation to the Company's customers, vendors, central and state government bodies, auditors, legal advisors, consultants, registrar and bankers for their continued support to the Company during the year under review. The Directors also wish to place on record their appreciation for the dedicated efforts of the employees at all levels. Finally, the Board expresses its gratitude to the members for their continued trust, co-operation and support.

For and on behalf of the
Board of Directors,

Ghanshyambhai A. Thakkar

Chairman

DIN: 00208843

Date: 31st October, 2020

Place: Ahmedabad

Annexure [1] to Board's Report

INFORMATION REQUIRED UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A. Ratio of remuneration of each Director to the median remuneration of all the employees of the Company for the Financial Year 2019-20 is as follows:

Name of Director	Designation	Total Annual Remuneration (₹)	Ratio of remuneration of director to the Median remuneration
Mr. Ghanshyambhai A. Thakkar	Whole Time Director	1,20,00,295	41.57
Mr. Krupesh G. Thakkar	Managing Director	1,20,00,698	41.57
Mr. Ramanik T. Kansagara	Whole-time Director*	23,06,395	7.99

- *Mr. Ramanik T. Kansagara's designation was changed from Director to Whole-time Director of the Company w.e.f. 01.08.2020. However, his remuneration is taken for 12 months.
- Independent Directors receiving only sitting fees for attending the board meeting. The sitting fees paid to Independent Directors is not covered in the above table.
- Median remuneration of the Company for all its employees is ₹ 2,88,666/- per annum for the financial year 2019-20.
- The aforesaid details are calculated on the basis of remuneration for the financial year 2019-20.

B. Details of percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer & Company Secretary in the financial year 2019-20 are as follows:

Name	Designation	Remuneration (in ₹)		Increase (%)
		2019-20	2018-19	
Mr. Ghanshyambhai A. Thakkar	Whole Time Director	1,20,00,295	1,19,99,403	Nil
Mr. Krupesh G. Thakkar	Managing Director	1,20,00,698	1,19,99,806	Nil
Mr. Ramanik T. Kansagara	Whole Time Director	23,06,395	**3,06,118	--
Mr. Keyur M. Gajjar	CEO	65,88,048	57,59,099	14.39%
Mr. Vipul S. Vora	CFO	44,63,960	39,65,758	12.56%
Mr. Hasmukh K. Modi	CS	20,48,419	17,89,799	14.45%

Notes:

- **Remuneration in Financial Year 2019-20 is not comparable with remuneration received in Financial Year 2018-19 and hence not stated.
- Independent directors receiving only sitting fees for attending the board meeting. So, in the above table, sitting fees paid to independent directors are not considered.
- The remuneration to Directors is within the overall limits approved by the shareholders.

C. Percentage increase in the median remuneration of all employees in the Financial Year 2019-20: 9.54%

D. Number of permanent employees on the rolls of the Company as on 31st March, 2020: 433 employees

E. Comparison of average percentage increase in salary of employees other than the Managerial personnel and the percentage increase in the managerial remuneration:

Remuneration to Managerial Personnel (MD & WTD) is increased Nil# in FY 2019-20 compared to FY 2018-19. While Average salary of all employees other than Managerial Personnel is increase by 6.54% in FY 2019-20 compared to FY 2018-19.

Annexure [1] to Board's Report (Contd.)

#Remuneration to Mr. Ramnik T. Kansagara in Financial Year 2019-20 is not comparable with remuneration received in Financial Year 2018-19 and hence not consider in total Remuneration to Managerial Personnel.

F. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

G. Information required under Section 197 of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. List of top ten employees in terms of remuneration drawn in FY 2019-20:

No	Name	DOB	Designation*	Remuneration Received (CTC PA)	Qualification	Date of commencement of employment	Experience	Last employment
1	Krupesh Thakkar	21/10/1970	Managing Director	1,20,00,698.00	B.Com	24/05/1993	27	NA
2	Ghanshyambhai Thakkar	18/11/1943	Chairman & Whole-Time Director	1,20,00,295.00	B.Sc, Dip. Civil Engg.	08/03/2007	40	NA
3	Keyur Gajjar	19/02/1971	CEO	68,10,886.00	BE, MBA	01/04/2005	24	M/S. GMDC, Ahmedabad
4	Krupa Thakkar	29/04/1971	Sr. Vice President	58,98,504.00	Dip. Home Sc.	01/04/2007	13	NA
5	Vipul Vora	20/07/1957	CFO	45,78,052.00	CA, CAAT, D.I.S.A(ICA)	05/12/2006	38	Shree Rama Multi-Tech Limited
6	Dheer Singh Chauhan	10/04/1958	Vice President	39,99,996.00	Dip. Mech Engg.	01/07/2018	37	Century Plyboard India Ltd
7	Prosanta Kumar Ghosh	20/08/1956	Vice President	34,81,392.00	Dip. Mech Engg.	01/07/2018	37	Mangalam Timber Prodcuts Ltd
8	Sanjiv Sharma	06/09/1960	General Manager	34,26,244.00	Graduate	12/04/2014	37	Asian Granito India Ltd
9	Kameshwar Singh	30/03/1966	General Manager-Mechanical	32,25,262.00	BE	01/07/2010	28	Bajaj Eco Tec Products Ltd
10	Jikesh Thakkar	25/08/1969	Sr. Vice President	30,99,759.00	B.com, DMS	01/12/2007	25	Disaster Mitiration Institute

*Nature of Employment: All employees are permanent employee. Managing Director and Whole-time Director are permanent employees subject to getting necessary approvals when tenure of such Directors expires.

^ Except as below there is no any employee is a relative of any director:

Name of Employee	Relationship with Director	Name of Director (Relative)
KRUPESH THAKKAR	Son	GHANSHYAM THAKKAR
GHANSHYAMBHAI THAKKAR	Father	KRUPESH THAKKAR
KRUPA THAKKAR	Wife	KRUPESH THAKKAR

2. List of every employee, who if employed throughout the financial year 2019-20, was in receipt of remuneration for that year which, in the aggregate, was not less than ₹1.02 Crore: **Nil except as above**

3. List of every employee, who if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than ₹ 8.50 Lakhs per month: **Nil**

Annexure [1] to Board's Report (Contd.)

4. List of every employee, who if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company:

No	Name	DOB	Designation	Remuneration Received (CTC PA)	Qualification	Date of commencement of employment	Experience	Last employment	% shares held by employee along with her spouse
1	Krupa Thakkar	29/04/1971	Sr. Vice President	58,98,504.00	Dip. Home Sc.	01/04/2007	13	NA	15.19

For and on behalf of the Board of Directors,

Ghanshyambhai A. Thakkar

Chairman

DIN: 00208843

Date: 31st October, 2020

Place: Ahmedabad

[Annexure – 2] to Board’s Report

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules, 2014)

FORM FOR DISCLOSURE OF PARTICULARS OF CONTRACTS / ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARM’S LENGTH TRANSACTIONS UNDER THIRD PROVISIO THERETO

1. Details of contracts or arrangements or transactions not at arm’s length basis:

Nil

2. Details of material contracts or arrangement or transactions at arm’s length basis:

Nil

For and on behalf of the Board of Directors,

Ghanshyambhai A. Thakkar

Chairman

DIN: 00208843

Date: 31st October, 2020

Place: Ahmedabad

[Annexure – 3] to Board's Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES

1. Brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The CSR policy of the company outline aims for signifying care for the community by identifying some thrust area around, which focus on the company's CSR initiatives and channelising the resources which include providing Health, education, hygienic food, clean water, medical aid or any other financial help to needy persons.

The CSR Activities undertaken by the Company is within the broad framework of Schedule VII of the Companies Act, 2013. Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and approved by Board of Directors, is placed on the Company's website, which can be accessed through the following link: https://rushil.com/admin/uploads/investors_pdf/codes_policies/Corporate_Social_Responsibility_Policy.pdf

2. The Composition and meetings of the CSR Committee:

The composition of the CSR Committee as on 31st March, 2020 is as follows:

Name of the Member	Position in Committee	Nature of Directorship
Mr. Ghanshyambhai A. Thakkar	Chairman	Whole time Director & Chairman
Mr. Krupesh G. Thakkar	Member	Managing Director
Mr. Shankar Prasad Bhagat	Member	Non-Executive/Independent Director

Mr. Hasmukh K. Modi, Company Secretary, acts as Secretary to the CSR Committee. During the FY 2019-20, one meeting of CSR Committee was held on 23rd July, 2019.

3. Average Net Profit of the company for the last three financial years: ₹ 33,22,91,802.00
4. Prescribed CSR expenditure (2% of this amount as in Sr. No. 3 above): ₹ 66,45,836.00
5. Details of CSR spent for the financial year:
 - a. Total amount to be spent for the financial year: ₹ 66,45,836.00
 - b. Actual amount spent for the financial year: ₹ 63,08,735/-
 - c. Amount unspent, if any: 3,37,101/-
 - d. Extra amount spent for the financial year: NIL
 - e. Manner in which the amount spent during the financial year is detailed below:

(₹ In lacs)

(1) Sr. No	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub – heads: (1)Direct expenditure on projects or programs (2)Overheads	(7) Cumulative expenditure upto to the reporting period	(8) Amount spent : Direct or through implementing agency*
1	Promoting Education by providing Hostel Facility to 2000 students	Cl. (ii) Promoting Education	Sardardham, At Ahmedabad, Gujarat	51.00	51.00	51.00	Direct

[Annexure – 3] to Board’s Report (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1)Direct expenditure on projects or programs (2)Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
2	Providing grocery, food, clean drinking water, medical help etc.	Cl. (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care	(1) At Mansa, Dist.- Gandhinagar, Gujarat, and (2) At city & district - Ahmedabad, Gujarat.	3.00	2.59	2.59	Direct and through implementing agency
3	Orphans & Old age Facility	Cl. (iii) setting up old age homes and such other facilities for senior citizens	At Ambaji, Gujarat	5.00	5.00	5.00	Through implementing agency
4	Animal Welfare	Cl. (iv) animal welfare	At Ahmedabad, Gujarat	1.5	--	--	--
5	Rural Development Projects	Cl. (x) Rural Development	Kolgumsi Village, Soraba Taluka, Shimoga District, Karnataka	3.00	2.5	2.5	Through implementing agency
6	Education related activities	**For Different Projects for Building construction.	At Ahmedabad, Gujarat	3.00	2.00	2.00	Through implementing agency
TOTAL				66.50	63.09	63.09	

*Company has carried out some of the CSR expenses through implementing agency namely Ghanshyam Parivar Trust, S.A.K.T.R.C.H.R.D. Trust, Lions Club of Shahibaug (Society), Shree Ram Jalaram Mandir Charitable Trust, and Hira Laxmi Sarasvati Trust. These trusts have the some common objects as covered in Schedule VII and has an established track record of more than five years in undertaking such activities.

**The purpose of building to be constructed which may be used for any one or more of the following activities:

[Annexure – 3] to Board’s Report (Contd.)

- To run a hostel for needy students,
- Administrating medical centers and organising medical camps,
- Establishing dispensaries,
- hospitals, and helping other organisations establishing the same,
- Running libraries for students,
- Arranging shelter facilities and providing food to orphan children,
- To use as old age homes,
- Relief shelter to people who have suffered in natural calamities.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

The CSR Expenditure incurred by your company during the Financial Year 2019-20 was ₹63.09 Lacs. While the actual requirement was ₹ 66.46 Lacs, being the statutory requirement of 2% of the Average profit for the last three financial years. The unspent amount is ₹3.37 Lacs. Company could not spend the required amount due to the following reasons:

1. During the F.Y. 2019-20, the company tried for full utilisation of the allocated CSR budget. The amount which remained unspent due to Unavoidable circumstances may be considered to the CSR budget for the subsequent financial year. This year Company has an unspent amount of ₹ 3,37,101/- because of nationwide lockdown due to speared of COVID-19 pandemic.
2. There are also certain charitable/CSR activities/initiatives undertaken by the company for the substantial well-being of the people in the community, which are not covered under the CSR report due to the specified CSR activities under the applicable rules. Company may take care of spending of unspent amount in coming years.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

(Krupesh G. Thakkar)
Managing Director

(Ghanshyambhai A. Thakkar)
Chairman of CSR Committee

Date: 31.10.2020
Place: Ahmedabad

[Annexure – 4] to Board’s Report

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(A) CONSERVATION OF ENERGY

(i) Steps taken for conservation of energy as well as the steps taken by the Company for utilising alternate sources of energy:

1. In Financial Year 2019-20 company had purchased 1,18,51,482 units by open access power through INDIAN ENERGY EXCHANGE, with this the company’s overall cost was reduced by Rs 0.69/- per unit. The power cost was reduced from ₹ 8.40 per unit to ₹ 7.71 per unit. Therefore, company got the benefits of ₹ 155 lakhs.
2. Company has introduced VFD for the following motors at the MDF Board manufacturing plant of the Company at Chikmagalur, Karnataka
 - 132 KW Fibre transport fan
 - 110 KW Secondary fibre Circulation fan
 After introducing the VFD, Company made saving in energy cost by reducing the power consumption of Approximately 60,000 units per year.
3. Company has installed solar panel at the corporate office of the company which results in significant power and energy saving.
4. Company installed a VFD in cooling tower Fan and interlocked with the water temperature control in cooling water. With that the Company reduced the power consumption by 6500 units per annum.
5. The Company has installed roof exhaust system with FRP sheet at the MDF Board manufacturing plant of the Company at Chikmagalur, Karnataka. As a result, all the inside lights are switched off for 12 hours in the day time, resulting a saving of around 10500 units per annum.
6. Company has replaced ordinary MH/MB lights with LED lights inside and outside the building premises in second phase. The total saving are 5,200 units per annum.

7. The Company is reusing RO reject water and waste water from manufacturing process in gardening activity.
8. The company is doing on Regular basis Preventive and corrective maintenance and renovation of machines as proactive measures to optimise energy usage and available time of machines.
9. On the regular basis, Company is doing check in the electricity distribution network for safe and efficient performance.
10. Company has fixed Air Ventilation on top roof of factory premises running through wind energy in replacement of exhaust fans which were running through electricity.
11. Company is doing shift wise power consumption analysis to control the consumptions. Along with that Company is doing quarterly In-house energy audit for electrical and utility systems.

(ii) Capital Investment on energy conservation equipment: NIL

(iii) Impact of energy conservation measures:

Energy conservation measures undertaken by the company have resulted in savings in power cost which ultimately resulted into overall cost savings of the company.

(B) TECHNOLOGY ABSORPTION

(i) The efforts made by the Company towards technology absorption:

1. The Company had installed proportional damper control system for boiler exhaust chimney to atmosphere and interlock with the furnace temperature. If furnace temperature is more, proportionally chimney damper will open. Due to this modification, the Company got the fuel saving of 1500 MT equivalent to ₹ 27 lakhs per annum approximately.
2. The Process modification of multi daylight press temperature control system for avoiding thickness and density variation of raw board. As a result raw board

[Annexure – 4] to Board’s Report (Contd.)

thickness and density is uniform. Due to this modification, the Company is getting the direct benefit of approx 2000 MT of wood saving per year equal to ₹ 45 lakhs and indirect benefit of resin, wax and power also. MDF Board quality is also improved.

3. Company on continuous basis modifies and upgrades the manufacturing process/ parameters which resulted into cost effectiveness, better productivity in terms of quantity without compromising quality of the products.
4. Development of new products, design, concept and processes at regular intervals.
5. Company on continuous basis upgrades the chemical formula, new and alternate Raw Material consumption etc. for better quality and cost effectiveness.
6. The Company on an on-going basis interacts with markets, for technical expertise for our industry.
7. Company has undertaken in house R&D activities to improve the quantity and quality of products.
8. Company modified / propose to modify the following process systems which will result into increase in the production and/or improvement in quality of the products:
 1. Installations of new VFD’s for following motors:
 - a. Fine sanding dust suction system(75 KW)
 - b. Reject mat fan (90 KW)
 2. Installation of Roof Top solar panel for Solar Power generation in staff quarter premises.
 3. Installation of servo motors system in lamination machine for loading and

unloading motors for better productivity and quality.

4. Installation of booster pump at refiner motor cooling system to reduce the pumping capacity at cooling tower.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

Company is covered under the design products industry. New designs and varieties in products has always remained the demand of customers. So, development of new products and creativity in the processes are the basic requirements to sustain and increase the market share of the company. Company has derived various benefits from new and improved technology and R&D activities i.e. Product (quality) improvement, reduced cost of final products, Reduction in process time, Conservation of energy, Smooth processing, conservation of environment, Increase in customer base, Increase in the brand value of Company etc.

(iii) Imported Technology (imported during the last 3 years reckoned from the beginning of the financial year):

The Company has not imported any technology during the last three years and whenever required, the Company takes guidance from technical experts as well as from the foreign machinery suppliers.

(iv) Expenditure on Research and Development: NIL

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earned in terms of actual inflows during the Financial Year 2019-20 was ₹ 101.77 crores (equivalent value of various currencies).

Foreign exchange outgo in terms of actual outflows during the Financial Year 2019-20 was ₹ 9.15 crores (equivalent value of various currencies).

[Annexure – 5] to Board’s Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Rushil Decor Limited
(CIN: L25209GJ1993PLC019532)
Ahmedabad.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Rushil Decor Limited (hereinafter called the “**Company**”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion and to the best of my understanding, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020, according to the provisions of:

- (i) The Companies Act, 2013 (“**the Act**”) and the rules made thereunder;
 - (ii) Securities Contracts (Regulation) Act, 1956 (“**SCRA**”) and the rules made thereunder;
 - (iii) The Depositories Act, 2018 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“**SEBI Act**”) to the extent applicable to the Company:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agent) Regulations, 1993 regarding the Act and dealing with Client;
 - (vi) Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:
 - a) Environment Protection Act, 1986
 - b) The Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008
 - c) The Water (Prevention & Control of Pollution) Act, 1974 and Rules made thereunder
 - d) The Air (Prevention & Control of Pollution) Act, 1981
 - e) Intellectual Property Acts
 - f) Customs Act, 1962
 - g) Indian Boilers Act, 1923
 - h) Indian Forest Act read with State Rules
 - i) Bureau of Indian Standards Act, 1986
- I have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

[Annexure – 5] to Board’s Report (Contd.)

- ii. The Listing Agreements entered into by the Company with Stock Exchange(s) read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further Report that:

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ii. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- iii. None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member’s view in the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific events/actions having a major bearing on the affairs of the Company in pursuance of the above referred laws, Rules, regulations, guidelines, standards, etc.

For, Shalin Jain & Associates

Shalin M. Jain

Practicing Company Secretary

Date: 24th June, 2020

Place: Ahmedabad

ACS No: 30427

CP No: 21379

(UDIN: A030427B000374254)

This Report is to be read with our letter of even date which is annexed as ‘Annexure A’ and forms an integral part of this report.

[Annexure – 5] to Board’s Report (Contd.)

‘Annexure A’

To,
The Members,
Rushil Decor Limited
(CIN: L25209GJ1993PLC019532)
Ahmedabad.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, Shalin Jain & Associates

Shalin M. Jain

Practicing Company Secretary

ACS No: 30427

CP No: 21379

(UDIN: A030427B000374254)

Date: 24th June, 2020

Place: Ahmedabad

Management Discussion and Analysis

OVERVIEW OF INDIAN ECONOMY

India saw a decline in its growth rate from 6.1% in FY2018-19 to 4.2% in FY 2019-20. The slowdown was attributed to weakened investments, slow domestic consumer demand and turbulence in the non-banking financial industry. Early signs of improvement were visible at the end of 2019 and momentum was building up in January and February 2020 following good harvest and positive trends in consumption. This was engulfed by the Covid-19 pandemic and consequent nationwide lockdown measures implemented in latter part of March 2020. The virus not just affected human health, but also severely impacted businesses and the society at large. With a prolonged countrywide lockdown, global economic downturn and associated disruption of demand and supply chains, the economy is likely to face a protracted period of slowdown.

In response to combat the Covid-19 impact various measures have been initiated by the Government announced a financial stimulus of about ₹ 20 trillion, accounting for 10% of GDP. The package aims at promoting self-reliance in India through the 'Atmanirbhar Bharat Abhiyan' and urges the country to choose 'Made-in-India' products and brands over their foreign made counterparts. This is expected to provide support to national consumer facing brands providing value products additionally, initiatives were also taken to support the banking system, ease credit availability, and revive consumption through reforms in corporate and personal tax norms. Along with this the recent decline in oil prices will help in lowering the import bill and provide a cushion to various industries having oil as their raw material.

OUTLOOK

India's GDP is expected to contract in FY 2020-21, attributing the downward revision to Covid-19 induced supply-demand shocks. Although, the Government's commitment towards structural reforms and social welfare measures will help in economic recovery. Further, resolution for Atmanirbhar Bharat along with collective effort of all stakeholders will contribute to rebuilding a strong and vibrant economy.

1. Industry Structure and Development

The wood panel industry comprises plywood sheets, engineered wood panels (MDF - Medium Density

Fibre board and particle board) and decorative surface products such as laminates. According to Globe Newswire research report, Indian furniture market is estimated to cross US\$ 32.61 Bn in 2018 registering a CAGR of 13.38% over 2018-2023. Furthermore, the market is predicted to garner US\$ 61.09 Bn by the end of 2023. The furniture market can be segregated into two segments: residential and commercial. The residential segment commands a larger share and is expected to witness a CAGR of 14.16% over 2018-2023. The commercial segment accounts for the rest and is expected to witness a CAGR of 13.32% over 2018-2023.

The Covid-19 situation has put a temporary halt in the overall demand. It can have a domino effect on the entire wood panel industry deeming that China plays an important role in the entire supply chain. The supply of PVC laminates, decorative laminates, floorings, PVC board additives and machineries may be impacted in the medium term.

MEDIUM DENSITY FIBREBOARD (MDF)

In India, MDF board is considered as an ideal substitute for low-end plywood. It is one of the rapidly growing wood panel products and is projected to outpace the plywood industry growth. It has penetrated in every region through demand growth and expanding manufacturing capacities. The upsurge in timber costs has further raised the demand for domestically produced MDF. As a result, the capacity utilisation of the MDF produced in India reached 55% in the second half of the year against 40% registered at the beginning of the year. Moreover, declining imports owing to higher overseas prices is further going to aid the growth of MDF going ahead. The Directorate General of Trade Remedies has also initiated the anti-dumping duty investigation concerning imports of plain (thin) MDF boards having thickness of less than 6mm originating from Vietnam, Malaysia, Thailand and Indonesia.

The outlook for MDF board remains optimistic underpinned by rapidly changing markets and plywood and wood getting expensive. In addition, it comes with better finishing which in turn will help in offering value-added products.

(Source: JM Financial Report, Ply reporter)

Management Discussion and Analysis (Contd.)

₹ 30 BN
 Market Size by 2022

14%
 CAGR

100%
 Organised

LAMINATES

The global decorative laminates market is expected to be valued around USD 91,015.03 Million by 2025, registering a CAGR of 5.30%. Decorative laminates are an appealing and safe way to keep the interior stylish as well as protect furniture from wear and tear, scratching, and fire risk. It further helps in increasing the surface life span of the product with an eye-catching finish. Decorative laminates products can be segmented into two types: high-pressure laminates (HPL) and low-pressure laminates (LPL).

HPL are more durable and tough as it is derived from phenol resin and Kraft paper. They are more preferred for application on countertops, flooring, and desktop due to fire and chemical resistance properties. The rising demand for sustainable and long-life flooring in the residential and institutional sector will propel the product demand.

On the other hand, LPL is also known as thermo-fused melamine that used for vertical surfaces and low traffic areas owing to medium density fibreboard substrate. They are less preferable as compared to HPL owing to limited finishes, designs and short lifespan. Nonetheless, the low cost is expected to entice customers with limited income and short-term interior purpose.

The laminate industry has traditionally remained largely unorganised. Although, premiumisation and stricter implementation of GST / e-way bill will persist to be challenge for the unorganised players. The concept of shop to showroom is gaining traction with evolving tastes and style. Thus, impending market share shift from unorganised to organised in the medium to long term.

₹ 57BN
 India's market Size as on FY19

6%
 CAGR

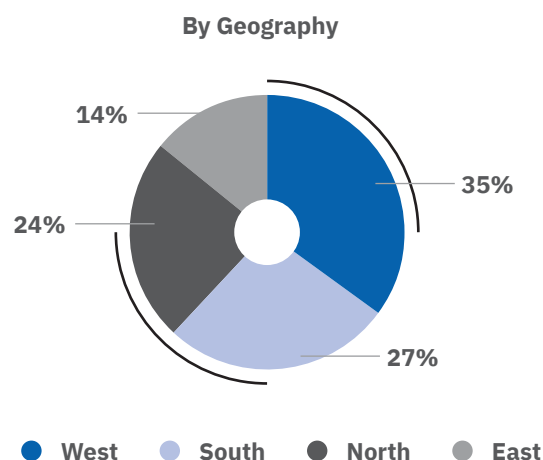
75%
 Organised

(Source: JM Financial Report, Market Research Future)

POLY VINYL CHLORIDE (PVC)

The PVC laminate is very versatile and apart from furniture it can be used in building and constructions, automobile, healthcare and other sectors. It is one of the preferred products in the construction industry as they are thin, flexible as well as strong. The demand for PVC is anticipated to register a CAGR of 6.81% over 2019-2030 from 2,888 kilo-tonnes per annum (KTPA) in 2018 to 6,779 KTPA by 2030. In addition, PVC laminate market has touched 4.5 Lakhs sheets every month. Some of the factors that will drive demand for PVC laminates in coming year are expanding agriculture sector combined with infrastructure development, rapid industrialisation and rising urbanisation, among others.

PVC Demand by Geography



(Source: Ply Reporter, TechSci Research)

Management Discussion and Analysis (Contd.)

2. Opportunities And Threats:

Furniture market growth is driven by various attributes such as:

- **Urbanisation:** Rising urbanisation propels the demand for ready-made furniture manufactured with engineered panels
- **Changing lifestyle:** Changing lifestyle leads to demand for smart and customised furniture
- **'Housing for all' and development of Smart Cities:** Such programs will drive construction of large number of houses across India, leading to additional demand for furniture
- **Change in preference:** Interior infrastructure industry is shifting towards more usage of value-added MDF products, which is potential growth driver
- **Online shopping:** Rising trends of e-retail will bolster the demand for furniture through online channels

Government Initiatives:

The numerous growth initiatives undertaken by the Government include:

- Sanctioning of ₹ 25,000 crore for completion of 1,600 stalled projects and extension of exemptions for affordable housing will increase the demand for wooden furniture
- Restructuring in income slabs, offering flat income tax slabs and the cut in corporate tax will result in higher disposable income
- Increasing import duty on furniture items to drive domestic demand with respect to wood panels and decorative surface material

THREATS

- Cheaper Products availability
- Non-availability of some raw materials
- Tight Control over raw materials from neighbouring countries
- Overcapacity in MDF Industry

- Increase in raw Material prices
- Prevailing competition from unorganised sector

3. Segment-wise / Product-wise Performance:

Laminates & allied products:

The Company has delivered a satisfactory financial and operating performance for 2019-20. As a result of lower raw material costs, improved margins driven by tax benefit availed and market strategies that strengthen the position and increase sales. The total revenue of laminate segment was ₹ 166.34 Cr in 2019-20 as compared to ₹ 182.93 Cr in 2018-19. The Profit before interest and taxes of laminate segment is ₹ 16.11 Cr in 2019-20 as against ₹ 19.40 Cr in 2018-19.

Medium density fibre board (MDF):

The MDF segment saw growth in the 2019-20 led by rise in awareness & application of MDF. The total revenue from MDF grew by 6.71% from ₹ 156.46 Cr in 2018-19 to ₹ 167.07 Cr in 2019-20. The EBITDA increased by 12.06% from ₹ 16.33 Cr in 2018-19 to ₹ 18.30 in 2019-20.

4. Outlook for 2020-21

- Strengthen our position in market through various marketing initiatives
- Focus to increase the share gradually in Laminate, MDF & PVC segment
- Emphasis on gaining market share from the local unorganised players

5. Risk and Concern:

The Company's risk management system continues to evolve in order to pursue sustainable growth and create economic value. Thus, making it essential to plan and execute business strategies responsibly, while regulating and mitigating risks. The Board is entrusted with the responsibility of overseeing various strategic, operational and financial risks that the Company faces, along with the adequacy of mitigation plans to address such risks.

Management Discussion and Analysis (Contd.)



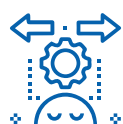
1. Identify:

Understand the major risks that impacts its ability to meet the strategic objectives



2. Assess:

Establish the procedure for analysing business level risks



3. Control:

Set up key control processes and practices that monitors and control adherence to risk direction and limits



4. Report:

Interpret and report on risk exposures, concentrations and risk-taking outcomes

Risks	Mitigation Strategy
<p>Competition risk: Market share erosion because of competition from unorganised segment</p>	<ul style="list-style-type: none"> — GST Implementation has helped in reducing the share of unorganised sector
<p>Quality risk: Incompetence to sustain quality consistency can hamper product sales and brand image</p>	<ul style="list-style-type: none"> — Wide range of product portfolio will enable us to further market penetration — World-class facilities to manufacture products of highest quality standards — Stringent quality measures across the product manufacturing lifecycle
<p>Technology risk: Outdated technology can affect the cost competitiveness</p>	<ul style="list-style-type: none"> — State-of-the-art technology ensures maximum utilisation of resources with minimum amount of wastage
<p>Distribution risk: Weak distribution network can impact the market access</p>	<ul style="list-style-type: none"> — Large distribution network including sufficient number of distributors, dealers and branches helps reaching customer touch point faster — Presence in 36 countries across the world helps to cater broad customer base

Management Discussion and Analysis (Contd.)

6. Internal Control Systems and their Adequacy:

RDL believes that robust internal control is a prerequisite for good governance and operating procedures, policies and process guidelines. The Company has a well-established framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of financial and operational controls. Additionally, the budgetary control system continuously analyse expenditure alongside approved budgets. The management is committed to ensuring an effective internal control environment, commensurate with the size and complexity of the business. Therefore, providing an assurance on compliance with internal policies, applicable laws, regulations and protection of resources and assets.

7. Discussion on Financial Performance with respect to operational performance:

The Company's revenues grew to ₹ 335.60 Lakhs in 2019-20 following an improvement in terms of sales volumes. EBIDTA increased by 10.37% from ₹ 45.13 Lakhs in 2018-19 to ₹ 40.45 Lakhs in 2019-20. Also, it reported a growth in PAT by 6.08% from ₹ 143.35 Lakhs in 2018-19 to ₹ 230.50 Lakhs in 2019-20 underpinned by tax benefit availed and lower raw material prices.

Operational Performance

The continuous learning and improvement have been one of the foundation pillars for reducing the cost and improving operational performance across the value chain. The Company has in place an effective risk

and control framework that enabled in enriching its operational performance. These measures helped to achieve sustainable growth which in turn would grow competitiveness and market share.

8. Material Development in Human Resource/ industrial relationship front management including number of people employed

The Company considers its human assets to be its key driving force for growth. It aims to harbour a congenial work culture that motivates people to contribute their best and accomplish the organisation's common objectives.

At RDL, capability building is all about creating a culture that promotes continuous learning and cultivating skills through various training and development programmes. As a result, enhancing the capabilities of employees that will help them in responding to the changing needs of the customers by constantly upskilling themselves.

It promotes equal opportunities for all and values a healthy work-life balance. Thus, any innovative recommendations by employees are always encouraged by the Management. As on 31st March, 2020 the Company employs 433 employees.

9. The Details of Significant Changes in Key Financial Ratios:

During the fiscal year 2019-20, the details of significant change in the key financial ratios are summarised below:

Sr. No.	Key Financial Ratios	F.Y. 2019-20	F.Y. 2018-19	Changes in %	Reasons for change
1	Debtors Turnover (in Days) (current debtors only)	67	59	13.47%	-
2	Inventory Turnover (in Days)	93	93	(0.34%)	-
3	Interest Coverage Ratio (in times)	2.64	2.69	(1.84%)	-
4	Current Ratio (in times)	1.27	1.31	(3.45%)	-
5	Debt Equity Ratio (in times)	1.77	1.19	49.35%	Debt equity ratio has increased due to increase in debt for new MDF project whose commencement has been delayed due to ongoing pandemic.
6	Operating Margin (in %)	9.46%	10.62%	(10.90%)	-
7	Net Profit Margin (in %)	6.87%	4.17%	64.70%	Reason is mentioned below
8	Return on Networth (in %)	11.00%	7.66%	43.55%	Reason is mentioned below
9	Creditors Turnover (in days)	159	124	28.71%	Trade payable has been increased due to non-payment to company's sundry creditors in Covid Pandemic lockdown period.

Management Discussion and Analysis (Contd.)

REASON FOR INCREASE IN NET PROFIT

Overall Net profit of Fiscal year 2020 increased due to Decrease in Tax Expense by ₹ 11.91 Cr as compared to Fiscal year 2019 and decrease in Cost of Material consumed by 10.49% i.e. ₹ 20.28 Cr, otherwise the Profit has been declined due to, decrease in Revenue of Laminate Segment by 10.69% i.e. ₹ 19.56 Cr, decrease in other income by 58.35% i.e. ₹ 4.95 Cr, increase of employee benefit expense by 14.41% i.e, ₹ 3.69 Cr, increase in other expenses by 5.51% i.e. ₹ 4.94 Cr.

10. The return on Net Worth during F.Y. 2019-20 was 11.00% as compared to 7% in F.Y. 2018-19. The

increase of 43.66% in the return on net worth is mainly due to increase in profit.

11. Cautionary Statement:

Statement made in the Management Discussion and Analysis describing the various parts may be “forward looking statement” within the meaning of application securities laws and regulations. The actual result may differ from those expectations depending upon the economic conditions, changes in Government regulation and amendments in tax laws and other internal and external factors.

Corporate Governance Report

The Corporate Governance Report for Financial Year (FY) 2019-20, which forms part of Boards' Report, prepared pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

"Corporate Governance" in its literal sense means management of the organisation as a whole. Corporate Governance is about to keep great association with stakeholders, creation and support of trust with people associated with group be it shareholders, regulators, representatives, employees, suppliers, clients, financiers and the general public at large. We are firm in belief that corporate governance means commitment for the achievement of value based growth and meeting the commitment within the predefined time frame without compromising with ethical standard and set of paradigms. The Company is focused on straight forwardness in every one of its dealings and spots emphasis on respectability and administrative consistence. Your company has been improving in Corporate Governance since the foundation of the company. Satisfactory and convenient information is basic to responsibility.

The Board of Directors ('the Board') are responsible for and committed to sound principles of Corporate Governance in the Company. There is a separation of the role of Chairman of the Board and the Chief Executive Officer a practice that has been in place for more than a decade in the Company. With the focus on the core corporate governance principles of accountability, transparency and integrity and adoption of suitable global, local and industry best practices, your Company is moving ahead in its pursuit of excellence in corporate governance.

Your company's philosophy on Corporate Governance is embedded in its rich legacy of ethical governance practices, most of which were implemented before they were mandatorily prescribed. The Company operates within accepted standards of propriety, fair play, justice and aims at creating a culture of openness in relationships between itself and its stakeholders. Your Company ensures transparency in all its dealings and in the functioning of the management and the Board. It has set up a system which enables all its employees to voice their concerns openly and without any fear or inhibition. In quest for this goal, the policies

of the Company are intended to reinforce the capacity of the Board of Directors to oversee the administration and to upgrade long haul shareholder esteem.

2. BOARD OF DIRECTORS

The Board of your company has an optimum combination of Executive, Independent Non-executive and Woman Directors with conformity of Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (herein after known as "Listing Regulations") as well as the Companies Act, 2013 read with rules framed thereunder, to maintain the independence of board and separate its functions of management and governance in transparent manner.

None of the Directors on the Board is a member of more than ten Committees or Chairman of more than five Committees (committees being Audit Committee and Stakeholders Relationship Committee as per Regulation 26(1) of the Listing Regulations) across all the Public Companies in which he/she is a Director. The necessary disclosures regarding their Committee positions have been made by all the Directors.

(a) Composition and Category of Directors:

The composition of the Board of Directors of the Company as on 31st March, 2020 is as follows:

Sr. No.	Name of the Director	Category
1.	Mr. Ghanshyam A. Thakkar	Executive Director/ Promoter (Chairman)
2.	Mr. Krupesh G. Thakkar	Executive Director/ Promoter (Managing Director)
3.	Mr. Ramanik T. Kansagara	Executive Director
4.	Mr. Shankar Prasad Bhagat	Independent Non-Executive Director
5.	Mr. Rohit B. Thakkar	Independent Non-Executive Director
6.	Ms. Archee D. Thakkar *	Additional Independent Non-Executive Director / Woman Director

* Ms. Archee D. Thakkar was appointed as an Additional Independent Director (Non-Executive Director) in the board meeting held on 11th Day of November 2019. Her appointment will be considered at the ensuing Annual General Meeting and She will not be liable to retire by rotation. Her particulars and other details are mentioned in the

Corporate Governance Report (Contd.)

Directors Report and in the Notice convening the Annual General Meeting and therefore are not mentioned separately in this Report.

As per the declarations received from the Directors, none of the Directors is disqualified

under Section 164 of the Companies Act, 2013. During the year under review, Ms. Jingle Thakkar Independent Non-Executive Director / Woman Director, of the Company had resigned from the Board w.e.f. 21st November, 2019.

(b) Details of attendance of each Director at Board Meetings and at the last year's Annual General Meeting is as follows:

The attendance by the board of directors at the board meetings and at the last Annual General Meeting is as follows:

Sr. No.	Name of the Director	No. of Board meetings attended		Attendance at last AGM
		Held	Attended	
1	Mr. Ghanshyam A. Thakkar	4	3	Yes
2	Mr. Krupesh G. Thakkar	4	4	Yes
3	Mr. Ramanik T. Kansagara	4	4	Yes
4	Mr. Shankar Prasad Bhagat	4	4	Yes
5	Mr. Rohit B. Thakkar	4	4	No
6	Ms. Jingle Thakkar *	4	3	Yes
7	Ms. Archee Thakkar*	4	1	NA

(*) Ms. Jingle Thakkar had resigned from the Directorship w.e.f 21st Day of November, 2019 and Ms. Archee Thakkar was appointed as Additional Independent Director (Non-Executive Director) in the board meeting held on 11th Day of November, 2019.

(c) The number of other boards or committee in which director is a chairman or member including names of the listed companies where the directors are holding directorship with category of directorship as on 31.03.2020 is as follow:

Sr. No.	Name of the Director	Category of Directorship in other Listed Companies	Directorship in Listed Company other than this Company		Number of Committee position held in other Public Companies		Name of listed company other than this Company
			As Chairman	As Board Member	As Chairman	As Committee Member	
1	Mr. Ghanshyam A. Thakkar	NA	NIL	NIL	---	---	NA
2	Mr. Krupesh G. Thakkar	NA	NIL	NIL	---	---	NA
3	Mr. Ramanik T. Kansagara	NA	NIL	NIL	--	---	NA
4	Mr. Shankar Prasad Bhagat	Independent Director	--	2	2	1	1) Amrapali Capital And Finance Services Limited; 2) Minal Industries Limited.
5	Mr. Rohit B. Thakkar	NA	NIL	NIL	--	--	NA
6	Ms. Jingle Thakkar*	NA	NIL	NIL	-	-	NA
7	Ms. Archee Thakkar *	NA	NIL	NIL	--	--	NA

Other Directorships do not include all other Companies i.e. Directorships of private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 ("the Act"). For the purpose of determination

Corporate Governance Report (Contd.)

of limit of the Board Committees, Chairmanship and Membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations.

* Ms. Jingle Thakkar has resigned from the directorship w.e.f. 21.11.2019 and Ms. Archee D. Thakkar was appointed as an Independent director in the Company w.e.f. 11.11.2019.

(d) Number of board meetings and dates on which held

The Board met 4 (four) times during the Financial Year 2019-20 and the time gap between two meetings was not more than 120 days. **The Board Meetings were held on, (i) 18.05.2019 (ii) 23.07.2019 (iii) 11.11.2019 and (iv) 14.02.2020**

(e) Disclosure of Relationship between Directors Inter-se:

Mr. Ghanshyam A. Thakkar is father of Mr. Krupesh G. Thakkar and none of the other Directors is having inter-se relationship.

(f) Number of shares and convertible instruments held by non-executive Directors

None of the Non-Executive Directors of the Company is holding shares or convertible instruments in the Company.

(g) Familiarisation Programme and Web link where details of familiarisation programmes imparted to independent directors is disclosed:

In Compliance with Regulations 25(7) of the Listing Regulations, your Company has put the structure of familiarisation Programme for all its Independent Directors, to inform about a brief background of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model, operations of the Company, etc. Periodic presentations are made to the Board on business and performance of the Company.

The details of such familiarisation programmes for Independent Directors of the Company are posted on the website of the Company and it can be access by this link https://rushil.com/admin/uploads/investors_pdf/codes_policies/Familiarisation_Programs_for_Independent_Directors.pdf

(h) Chart/Matrix relating to skills /expertise /competence of the Board of Directors

Rushil's Board is a skill-based board comprising of Directors who collectively have the skills, knowledge and experience to effectively govern and direct the organisation.

The Board of Directors have identified the below mentioned core skills / expertise / competencies in the context of the business and the sector in which the Company is operating, for the Company to function effectively:

- Knowledge and/or expertise in one or more of areas like manufacturing, accounts, finance, taxation, marketing, business and management.
- This criteria is designed to ensure the Board consists of individuals with a balance of skills to oversee the organisation, achieve the strategic goals and direct the organisation's future.

The above core skills / expertise / competencies identified by the Company are also actually available with the Board as under:

Sr. no	Name of the Director	Skills actually available with the Director
1.	Ghanshyam A. Thakkar	Visionary Leadership , Policy Development, Stakeholder Relationship, Business Strategies
2.	Krupesh G. Thakkar	Visionary Leadership , Policy Development, Stakeholder Relationship, Business Strategies
3.	Ramanik T. Kansagra	Understanding of Industry
4.	Shankar Prasad Bhagat	Finance and Accountancy
5.	Archee D. Thakkar	Finance and Accountancy
6.	Rohit B. Thakkar	Effective Management and delegation

Corporate Governance Report (Contd.)

(i) Confirmation of independence

The Board confirms that all the Independent Directors fulfill the conditions specified in listing regulations and that they are Independent of the management.

(j) Reason for resignation of Independent Director:

Ms. Jingle Thakkar, who was appointed as the Independent Director of the Company with effect from 7th August, 2014 had resigned from the position of the “Non-Executive Independent Director” of the Company, as she permanently shifted to foreign country with effect from November 21, 2019. The Board hereby confirms that as per the confirmation received from Ms. Jingle Thakkar, there were no material reasons for her resignation other than those mentioned in her resignation letter dated November 21, 2019.

(k) Code of Conduct:

Your Company has framed Code of Conduct for board of directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 (“Act”) as well as listing regulations and senior management to provide guidance and help in recognising and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help promote a culture of honesty.

In respect of Financial Year 2019-20, all Board members and Senior Management Personnel of the Company have affirmed compliance with the code as applicable to them and a declaration to this effect signed by the CEO is mentioned at the end of Corporate Governance Report.

(l) Information supplied to the Board of Directors:

The dates of Board and Committee Meetings were communicated to the Directors and Committee members respectively well in advance in compliance with various provision of the law. Members were given agenda in details along with necessary documents and information in advance of each meeting of the Board and Committee(s) by e-mail /physical as well as in meeting itself also except price sensitive information which was available in meeting only.

The Board periodically reviews compliance

reports with respect to laws and regulations applicable to the Company. The Board has made available complete information as enumerated in Part A of Schedule II of the Listing Regulations as well as other information as required by them. The Board members may bring up any matter for consideration of the Board, in consultation with the Chairman. The Meetings of the Board and Committees are generally held at corporate office of the company.

(m) Independent Directors:

Your company is in compliance with the provisions of section 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 read with rules framed thereunder and the Listing Regulations. Mr. Shankar Prasad Bhagat, Mr. Rohit B. Thakkar and Ms. Archee D. Thakkar are Independent Directors of the Company and they are not liable to retire by rotation.

Independent Directors at the first meeting of the Board held in this financial year gave a declaration that he/she meets the criteria of Independence as required under Section 149 (7) of the Companies Act, 2013 read with the Listing Regulations.

Further the Independent Directors have confirmed that they are not crossing limit of Chairmanship or membership holding in Audit Committee and Stakeholders’ Relationship Committee of other Companies as mentioned in Regulation 26 (1) of the Listing Regulations.

None of the Independent Directors of your Company serve as Independent Directors in more than 7 listed entities and in case they are whole-time directors or managing director in any listed entity, then he/she does not serve as an Independent Director in more than 3 listed entities as per Regulation 17A of the Listing Regulations.

(n) Formal letter of appointment to the Independent Directors:

The Company has issued formal letter of appointment to all the Independent Directors on their appointment explaining inter-alia, their roles, responsibilities, code of conduct, functions and duties as directors of the Company. The terms and conditions of appointment of independent directors have been hosted on the website of the

Corporate Governance Report (Contd.)

Company and can be accessed at https://rushil.com/investors_pdf/codes_policies/Terms-and-conditions-for-appointment-of-Independent-Director.pdf

(o) **Separate Meeting of Independent Directors:**

Pursuant to provision of Schedule IV of the Companies Act, 2013 read with Regulation 25 (3) of the Listing Regulations, a separate meeting of Independent Directors was held on 11.11.2019 inter alia, for the following purposes:

- a. review of the performance of non-independent directors and the board as a whole;
- b. review of the performance of the chairperson Mr. Ghanshyam A. Thakkar by taking into account the views of all the executive directors and non-executive directors;
- c. review and assess of the quality, quantity and timeliness of flow of information between the company management and the board of director that is necessary for the board to effectively and reasonably perform their duties;

All the Independent Directors were present in the meeting held on 11.11.2019.

(p) **Non-executive Directors compensation and disclosures:**

Your Company has not paid any fees / compensation to independent directors except sitting fees within limit as specified under the Companies Act, 2013 read with Rules framed there under for board meeting attended by them. There was no pecuniary relationship or transactions of Non-executive directors vis-à-vis the Company.

BOARD COMMITTEES

In Compliance with the various provision of the Companies Act, 2013 read with Rules framed thereunder, the Listing Regulations and other applicable law, your Company has constituted, (1) Audit Committee (2) Nomination and Remuneration Committee (3) Stakeholders Relationship Committee (4) Corporate Social Responsibility Committee and other required Committees.

The minutes of Committee meetings are tabled at the next Board meetings for their review, consideration, noting

and doing needful. The minutes of the proceedings of the Committee Meetings are captured in the same manner as the Board Meetings and in accordance with the provisions of the Companies Act, 2013 read with rules framed thereunder and as per Secretarial Standard - 1.

3. **AUDIT COMMITTEE**

(a) **Brief description of terms of references:**

Your company has constituted a qualified and independent Audit Committee in line with provisions of Section 177 of the Companies Act, 2013 read with rules framed thereunder and Regulation 18 of the Listing Regulations. As on 31st March, 2020, Audit Committee comprises four members out of which three are Non-Executive Independent Director and one is Executive Director. Mr. Hasmukh K. Modi, Company Secretary acts as a secretary to the Audit Committee.

Role and Term of reference:

The Role and terms of reference of the Audit Committee are in compliance with the provision of Section 177 of the Companies Act, 2013 read with the Rules framed there under and Listing Regulations.

The brief description of role and terms of reference of Audit Committee is as under:

1. oversight of company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of Company;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b) changes, if any, in accounting policies and practices and reasons for the same;

Corporate Governance Report (Contd.)

- c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transactions;
 - g) modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
 7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 8. approval or any subsequent modification of transactions of the listed entity with related parties;
 9. scrutiny of inter-corporate loans and investments;
 10. evaluation of internal financial controls and risk management systems;
 11. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 12. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 13. discussion with internal auditors of any significant findings and follow up there on;
 14. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
15. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 16. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 17. to review the functioning of the whistle blower mechanism;
 18. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
 19. The audit committee is mandatorily reviewing the following information:
 - 1) management discussion and analysis of financial condition and results of operations;
 - 2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - 3) management letters / letters of internal control weaknesses issued by the statutory auditors;
 - 4) internal audit reports relating to internal control weaknesses;
 - 5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
 - 6) statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
 - b. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
 20. Reviewing and considering the following w.r.t. appointment of auditors before recommending to the Board:

Corporate Governance Report (Contd.)

- a. qualifications and experience of the individual/firm proposed to be considered for appointment as auditor;
 - b. whether such qualifications and experience are commensurate with the size and requirements of the company; and
 - c. giving due regard to any order or pending proceeding relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any Court.
21. Review and comment upon the report made by the statutory auditors (before submission to the Central Government) with regard to any offence involving fraud committed against the company by its officers/employees;
 22. Recommending to the Board of Directors, the appointment, remuneration and terms of appointment of Cost Auditor for the Company;
 23. Review the cost audit report submitted by the cost auditor on audit of cost records before submission to the Board for approval;
 24. Appointing registered valuers and defining the terms and conditions for conducting the valuation of assets/networth/ liabilities of the Company. Reviewing the valuation report and follow-up thereon;
 25. Review and approve policy formulated for determination of material subsidiaries;
 26. Review and approve policy on materiality of related party transactions and also dealing with related party transactions; and
 27. Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.
 28. Carrying out any other function as may be referred to the Committee by the Board.

(b) The details about the composition of the Committee, Name of chairperson & Members and attendance at the meetings are as under:

The Audit Committee met 4 (four) times during the Financial Year 2019-2020 and the time gap between two meetings is not more than 120 days. The Meetings were held on (i) 18.05.2019 (ii) 23.07.2019 (iii) 11.11.2019 and (iv) 14.02.2020.

Name of the Director	Designation	Nature of Directorship	Audit Committee Meeting details	
			Held	Attended
Mr. Shankar Prasad Bhagat	Chairman	Non-Executive/ Independent Director	4	4
Ms. Jingle Thakkar**	Member	Non-Executive/ Independent Director	4	3
Mr. Ramanik T. Kansagara	Member	Executive Director	4	4
Mr. Rohit B. Thakkar	Member	Non-Executive/ Independent Director	4	4
Ms. Archee D. Thakkar**	Member	Non-Executive/ Additional Independent Director	4	1

(**) Ms. Jingle Thakkar had resigned from the Directorship and also resigned/ vacated from the audit committee membership w.e.f 21st day November 2019. Further, Ms. Archee Thakkar was appointed as a member of the audit committee in the board meeting held on 11.11.2019.

All the members of the committee are well-versed in matters relating to finance, accounts and general management practices. Mr. Shankar Prasad Bhagat, Chairman of the Audit Committee is a Chartered Accountant and he was present at the Annual General Meeting of the Company held on Saturday, 21st Day of September 2019. The CEO, CFO, and the Statutory Auditors regularly attend the meeting of the Audit Committee as permanent invitees. Other invitees are invited on need basis to brief the Audit Committee on important matters.

Corporate Governance Report (Contd.)

4. NOMINATION AND REMUNERATION COMMITTEE:

(a) Brief description of terms of reference:

Your company has framed qualified Nomination and Remuneration Committee as per the requirements of Section 178 of the Companies Act, 2013 read with Rules framed thereunder and Regulation 19 of the Listing Regulations.

The Nomination and Remuneration Committee, as on 31st March, 2020, comprises 4 (Four) directors out of which 3 (Three) are Non-Executive-Independent Director and one is Chairman of the Company. Mr. Hasmukh K. Modi, Company Secretary acts as a secretary of the Committee.

Terms of reference

The terms of reference of the Nomination and Remuneration Committee inter alia, includes the following:

1. To formulate and review the criteria for determining qualifications, positive attributes and independence of a director;
2. To recommend to the Board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees and to ensure compliance with the remuneration policy set forth by the Company;
3. To formulate criteria for evaluation of performance of Independent Directors and the Board of Directors;
4. To devise a policy on Board diversity;
5. To report on the systems and on the amount of the annual remuneration of directors and senior management;

6. To identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
7. To recommend to the board, all remuneration, in whatever form, payable to senior management;
8. To decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors and recommend to the board;
9. To specify the manner for effective evaluation of performance of Board, its committees and individual directors and review its implementation and compliance;
10. To carry out such other works as may be defined by the board of directors under the framework of Listing Regulations and Companies Act, 2013, as amended from time to time.

(b) The details about the composition of the Committee, Name of chairperson & Members and attendance at the meetings are as under:

The Nomination and Remuneration Committee met 2 (two) time during the Financial Year 2019-20. The Meetings were held on 18.05.2019 and 11.11.2019.

Mr. Shankar Prasad Bhagat, Chairman of the Nomination and Remuneration Committee was present at the Annual General Meeting of the Company held on 21st day of September 2019.

The details of the composition of the Committee, Name of chairperson & Members and attendance at the meetings during the financial year 2019-20 are as under:

Name of the Director	Designation	Nature of Directorship	Meeting details	
			Held	Attended
Mr. Shankar Prasad Bhagat	Chairman	Non-Executive/ Independent Director	2	2
Ms. Jingle Thakkar*	Member	Non-Executive/ Independent Director	2	2
Ms. Archee D. Thakkar*	Member	Non-Executive/ Independent Director	2	0
Mr. Rohit B. Thakkar	Member	Non-Executive/ Independent Director	2	2
Mr. Ghanshyam A. Thakkar	Member	Executive Director & Chairman of the Company	2	2

(*) Ms. Jingle Thakkar has resigned from the directorship and also resigned from membership of Nomination and Remuneration Committee w.e.f. 21.11.2019. Further Ms. Archee D.Thakkar was appointed as a member of the Nomination and Remuneration Committee in the Board Meeting held on. 11.11.2019.

Corporate Governance Report (Contd.)

(c) Performance Evaluation Criteria for Independent Directors:

As per the Nomination and Remuneration Policy of the Company, the performance evaluation of independent directors is carried out on the basis of prescribed criteria including participation and contribution by every director in the meeting, commitment, effective deployment of knowledge and expertise, effective management relationship with stakeholders, integrity and maintenance of confidentiality, Professional Conduct and Independence, willingness to devote sufficient time to carry out the duties and responsibilities effectively including attendance at meetings, act in the best interest of minority shareholders of the Company etc.

(d) Nomination and Remuneration Policy of the Company

The Nomination and Remuneration Policy formulated and recommended by the Nomination and Remuneration Committee is duly approved by the Board of Directors of the Company. The Nomination and Remuneration committee has formulated the criteria for appointment and remuneration including determination of qualifications, positive attributes, independence of Directors and other matters as provided under sub-section (3) of Section 178 of the Companies Act, 2013 read with Part D of Listing Regulations. The remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of your Company.

(c) Disclosure with respect to remuneration :

The detail of remuneration and sitting fees paid to the directors during the financial year 2019-20 is as under:

(Amount in ₹)

Name	Salary, Perquisites and Allowances	Sitting Fess	Total
Mr. Ghanshyambhai A. Thakkar	1,20,00,295	--	1,20,00,295
Mr. Krupeshbhai G. Thakkar	1,20,00,698	--	1,20,00,698
Mr. Ramanik T. Kansagara	23,06,395	--	23,06,395
Mr. Shankar Prasad Bhagat	--	20,000	20,000
Mr. Rohitbhai Bhailalbhai Thakkar	--	20,000	20,000
Ms. Jingle Thakkar**	--	15,000	15,000
Ms. Archee D. Thakkar**	--	5,000	5,000

** The Sitting Fees paid to Ms. Jingle Thakkar, Non-Executive Independent Director is upto 21.11.2019 and Ms. Archee Thakkar was from 11.11.2019 to 31.03.2020.

The Nomination and Remuneration policy is applicable to all the directors, Key managerial Personnel and Senior Management Personnel of the company.

The Policy provides guidance on:

- (1) Selection and Nomination of Directors to the Board of the Company;
- (2) Appointment of the Senior Management Personnel of the Company; and
- (3) Remuneration of Directors, Key Managerial Personnel and senior management personnel.

The said policy is available on the website of the Company under the web link https://rushil.com/investors_pdf/codes_policies/Remuneration-Policy-of-RDL.pdf

5. REMUNERATION TO DIRECTORS

(a) Pecuniary relationship or transactions with Non-executive director's vis-à-vis the Company:

There was no any pecuniary relationship or transactions with Non-executive director's vis-à-vis the Company.

(b) Criteria for Making payment to non-executive directors:

Criteria for making payment to non-executive director is available on the website of Company under the web link https://rushil.com/investors_pdf/codes_policies/criteria-of-making-payments-to-non-executive-directors.pdf

Corporate Governance Report (Contd.)

Your Company is not paying anything to non-executive director except sitting fees for board meeting attended by them.

Directors are receiving only the fixed component of remuneration. They are not receiving any performance linked incentives.

During the financial year, 2019-20, the Company does not have any stock option scheme for its Directors or employees. Moreover, there is no separate provision for payment of severance fees to the Directors.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

In compliance with provisions of section 178(5) of the Companies Act, 2013 read with Rules framed thereunder and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company has duly constituted Stakeholders Relationship Committee.

As per Regulation 20(4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, following are the Role of the Stakeholders' Relationship Committee specified under Part D of Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015:

1. To consider and resolve the grievances of shareholders and other security holders, if any, including complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, general meetings etc.

2. Review of measures taken for effective exercise of voting rights by shareholders
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company
5. To oversees the performance of the Registrar & Transfer Agent and recommends measures for overall improvement in the quality of investor services.
6. Issue of new/ duplicate / split / consolidated certificate;
7. To review cases for transfer / transmission of shares, debentures and other securities;
8. To make reference to statutory and regulatory authorities regarding investor grievances and to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.
9. Any other roles, powers and functions as mentioned in the Companies Act, 2013 read with Rules framed thereunder and SEBI (LODR) Regulations, 2015.

(a) Name of the Director heading the Committee:

Name of the Director	Designation	Nature of Directorship
Mr. Shankar Prasad Bhagat	Chairman	Non-Executive Independent Director
Mr. Ghanshyambhai A. Thakkar	Member	Whole Time director & Chairman
Mr. Krupeshbhai G. Thakkar	Member	Managing Director

(b) Name and designation of Compliance Officer:

Mr. Hasmukh K. Modi, Company Secretary is the Compliance Officer for complying with the requirements of Securities laws and the Listing Regulations.

(c) Number of shareholders' complaints received, number not solved to the satisfaction of shareholders and number of pending complaints:

During the Financial Year 2019-20, Company did not receive any complaint from any shareholder of the Company. There is no complaint pending at the end of the Financial Year.

— OTHER BOARD COMMITTEES

The Board has constituted following other Board committees besides the committees mentioned above:

Corporate Governance Report (Contd.)

1. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

— Composition and Meeting

Company has constituted Corporate Social Responsibility (CSR) Committee, in compliance with the provision of section 135 of the Companies Act, 2013 read with Rules framed thereunder.

The CSR Committee met 1 (One) time during the Financial Year 2019-20 on 23.07.2019.

The composition of the CSR Committee as on 31st March, 2020 and the details of members' participation at the respective meeting of the Committee are as under:

Name of the Director	Designation	Nature of Directorship	No. of Meetings	
			Held	Attended
Mr. Ghanshyam A. Thakkar	Chairman	Whole Time Director & Chairman	1	0
Mr. Krupeshbhai G. Thakkar	Member	Managing Director	1	1
Mr. Shankar Prasad Bhagat	Member	Non-Executive/ Independent Director	1	1

— Terms of reference

The terms of reference of the CSR Committee are as under:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013;
- To Review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.
- Adhere to Section 135 of the Companies Act, 2013 & Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modifications, amendments or re-enactments thereto for the time being in force) and;
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

7. GENERAL BODY MEETINGS:

- (a) Location and time of last three Annual General Meetings (AGMs) were held and special resolutions passed in the previous 3 AGMs:

Financial year ended	Day/Date of AGM	Time	Location	No. of Special Resolution passed
31.03.2019	Saturday, 21.09.2019	12:30 PM	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	2 (TWO) (See Note:1)
31.03.2018	Saturday, 22.09.2018	11:30 AM		-
31.03.2017	Saturday 23.09.2017	03.00 PM		2 (Two) (See Note:2)

Note: 1 In the Annual General Meeting held on 21.09.2019, 2 (Two) Special Resolutions were passed as follow:

1. Re-appointment of Mr. Shankar Prasad Bhagat (DIN: 01359807) Independent Director of the Company for a second term of five years;
2. Re-appointment of Mrs. Jingle Thakkar (DIN: 06941497) Independent Director of the Company for a second term of five years;

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Note: 2 In the Annual General Meeting held on 23.09.2017, 2 (Two) Special Resolutions were passed as follow:

1. Re-appointment and fixing the remuneration of Mr. Ghanshyambhai A. Thakkar as Whole Time Director of the Company for a term of 5 (Five) years;
 2. Increase in Borrowing limits up to ₹ 600 Crores (Rupees Six Hundred Crores Only) under Section 180(1)(c) of the Companies Act, 2013.
- (b) The Details of special resolution passed last year through postal ballot and details of voting pattern: No Special Resolutions were passed during 2019-20 through postal ballot.
- (c) Person who conducted the Postal Ballot exercise :Not applicable
- (d) Whether any special resolution is proposed to be conducted through postal ballot:
 No Special Resolution is proposed to be conducted through postal ballot as on the date of this report.
- (e) Procedure for Postal Ballot: Procedure of Postal Ballot does not require.

8. MEANS OF COMMUNICATION

(a)	Quarterly results	The quarterly results are published in the newspapers and displayed on the Company's website.
(b)	Newspapers wherein results normally published	The Quarterly, Half Yearly Financial Results are generally published in Economic Times/Financial Express/Business Standard in English language & also in Gujarati language in Economic Times/Financial Express/Prabhat/Jai Hind.
(c)	Company's website, where displayed	The separate section named "INVESTOR RELATIONSHIP" in the Company's website www.rushil.com is displaying required information in respect of interest of various stakeholders. The Annual Report for this financial year 2019-2020 as well as Quarterly / Half Yearly Financial Results of the Company is also available therein.
(d)	Whether it also displays official news releases	The Company's official news releases and presentations made to the institutional investors and analysts, if any are also available on the Company's website.
(e)	The presentations made to institutional investors or to analysts	

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9. GENERAL SHAREHOLDER INFORMATION

(a)	AGM: Date, Time and Venue	Friday, 18th day of December, 2020 at 11:15 AM Company is conducting meeting through Video Conferencing/Other Audio Visual Means Pursuant to the MCA Circular Dated May 5,2020. For details refer Notice of this AGM. The Proceeding of the AGM shall be deemed to be conducted 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.																		
(b)	Financial Year	<p>Financial Year of the Company is from 01st April to 31st March and financial results will be declared for the financial year 2020-21 as per the following schedule:</p> <table border="1" data-bbox="611 734 1458 992"> <thead> <tr> <th data-bbox="611 734 1038 768">Particulars</th> <th data-bbox="1038 734 1070 768">:</th> <th data-bbox="1070 734 1458 768">Tentative and subject to Change</th> </tr> </thead> <tbody> <tr> <td colspan="3" data-bbox="611 768 1458 801">Quarterly Unaudited Results</td> </tr> <tr> <td data-bbox="611 801 1038 835">Quarter ending 30th June, 2020</td> <td data-bbox="1038 801 1070 835">:</td> <td data-bbox="1070 801 1458 835">On 31st August, 2020</td> </tr> <tr> <td data-bbox="611 835 1038 869">Quarter ending 30th September, 2020</td> <td data-bbox="1038 835 1070 869">:</td> <td data-bbox="1070 835 1458 869">On 31st October, 2020</td> </tr> <tr> <td data-bbox="611 869 1038 902">Quarter ending 31st December, 2020</td> <td data-bbox="1038 869 1070 902">:</td> <td data-bbox="1070 869 1458 902">On or before 14th February, 2021</td> </tr> <tr> <td data-bbox="611 902 1038 992">Fourth Quarter and Annual ending on 31st March, 2021</td> <td data-bbox="1038 902 1070 992">:</td> <td data-bbox="1070 902 1458 992">On or before 30th May, 2021</td> </tr> </tbody> </table>	Particulars	:	Tentative and subject to Change	Quarterly Unaudited Results			Quarter ending 30th June, 2020	:	On 31st August, 2020	Quarter ending 30th September, 2020	:	On 31st October, 2020	Quarter ending 31st December, 2020	:	On or before 14th February, 2021	Fourth Quarter and Annual ending on 31st March, 2021	:	On or before 30th May, 2021
Particulars	:	Tentative and subject to Change																		
Quarterly Unaudited Results																				
Quarter ending 30th June, 2020	:	On 31st August, 2020																		
Quarter ending 30th September, 2020	:	On 31st October, 2020																		
Quarter ending 31st December, 2020	:	On or before 14th February, 2021																		
Fourth Quarter and Annual ending on 31st March, 2021	:	On or before 30th May, 2021																		
	Date of Book Closure for AGM and Final Dividend	From Saturday, 12th day of December, 2020 to Friday, 18th December, 2020 (both days inclusive)																		
(c)	Dividend Payment Date	<p>Your Board has recommended a Final Dividend of ₹ 0.50 per share (5%) on equity shares of face value of ₹ 10/-. This is subject to approval by shareholders at the ensuing Annual General Meeting.</p> <p>Final Dividend on equity shares as recommended by the Directors for the year ended 31st March, 2020, when approved at the Annual General Meeting, will be paid after the date of ensuing AGM but within the statutory time limit of 30 days from the date of declaration in the AGM.</p>																		
	Dividend Transfer to IEPF	During the financial year the company had transferred the dividend amounting to ₹ 3207/- (Rupees Three Thousand Two Hundred Seven Only) to IEPF. The dividend transferred was on account of dividend unclaimed for seven consecutive years i.e. dividend for the financial year 2011-12																		
	Shares transferred to IEPF	During the financial year the Company had transferred 5 shares to IEPF. The shares transferred were on account of dividend unclaimed for seven consecutive years.																		
(d)	Name and address of stock exchanges at which the Company's shares are listed & details of annual listing fee paid	<p>(i) BSE Limited (BSE), Corporate office: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 and</p> <p>(ii) National Stock Exchange of India Limited (NSE), Corporate office: Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051</p> <p>Annual Listing Fees for the year 2019-20 and 2020-21 has been paid by the Company to BSE and NSE.</p>																		
	Demat ISIN Numbers in NSDL & CDSL	INE573K01017																		
(e)	Stock Code/Symbol	<p>BSE Equity Script Code: 533470</p> <p>NSE Equity Symbol: RUSHIL</p>																		

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(f) Market Price Data high and low during each month in last financial year:

The monthly high and low prices of the Company's shares at BSE and NSE for the year ended 31st March, 2020 are as under:

Month	BSE Limited (in ₹)		National Stock Exchange of India Limited (in ₹)	
	High	Low	High	Low
April-19	629.50	450.00	624.90	447.00
May-19	705.00	570.00	709.00	565.25
June-19	669.00	293.30	666.05	294.05
July-19	320.50	156.30	318.00	156.05
August-19	194.00	128.00	193.90	128.10
September-19	178.90	139.75	180.00	138.80
October-19	139.00	91.10	138.80	90.80
November-19	160.95	91.10	160.60	93.90
December-19	137.00	113.00	139.90	111.40
January-20	154.05	117.00	154.50	115.25
February-20	147.00	119.80	146.50	116.20
March-20	125.40	65.90	126.05	62.90

(g) Performance in comparison to board-based indices such as BSE Sensex:

The monthly high and low prices of the Company's shares at BSE along with BSE Sensex monthly closing for the year ended 31st March, 2020 are as under:

Month	RDL closing price at BSE (in ₹)		BSE SENSEX	
	High	Low	High	Low
April-19	629.50	450.00	39487.45	38460.25
May-19	705.00	570.00	40124.96	36956.1
June-19	669.00	293.30	40312.07	38870.96
July-19	320.50	156.30	40032.41	37128.26
August-19	194.00	128.00	37807.55	36102.35
September-19	178.90	139.75	39441.12	35987.8
October-19	139.00	91.10	40392.22	37415.83
November-19	160.95	91.10	41163.79	40014.23
December-19	137.00	113.00	41809.96	40135.37
January-20	154.05	117.00	42273.87	40476.55
February-20	147.00	119.80	41709.3	38219.97
March-20	125.40	65.90	39083.17	25638.9

(h) In case the securities are suspended from trading, the Directors Report shall explain the reason thereof: Not Applicable

(i) Registrar to an issue and share transfer agents:

Share Registrar and Transfer Agent : **Bigshare Services Private Limited**
Address: 1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri(East), Mumbai-400059,
Maharashtra,
Tel No.: 022- 62638200
Email: investor@bigshareonline.com
Website: www.bigshareonline.com

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(j) Share Transfer System:

Trading in equity shares of the Company through recognised Stock Exchanges can be done only in dematerialised form. All equity shares except 5 (Five) equity shares of the Company are in electronic form. For transfer of physical shares, powers to approve share transfers and related requests have been delegated by Stakeholders Relationship Committee to concerned department of the Company for expeditious disposal of shareholders' requests and complaints. It is system that Share transfers / transmission, if any, is taken up for approval and the transferred security is to be dispatched to the transferees within the stipulated time. Detail of transfers / transmission approved by the delegates is to be taken for noting by the Stakeholders Relationship Committee at its next meeting.

(k) Distribution of Shareholding as on 31st March, 2020:

The distribution of shareholding of the Company as on 31st March, 2020 was as follows:

(i) By size of shareholding:

No. of Shares	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Shareholding
01 to 5000	3707	97.5270%	578332	3.873%
5001 to 10000	29	0.7630%	226959	1.520%
10001 to 20000	17	0.4473%	262392	1.757%
20001 to 30000	9	0.2368%	229379	1.536%
30001 to 40000	3	0.0789%	105485	0.706%
40001 to 50000	4	0.1052%	177506	1.188%
50001 & 100000	8	0.2105%	553559	3.707%
100001 & above	24	0.6314%	12797720	85.710%
Total	3801	100.00%	14931332	100.00%

(ii) Pattern of Shareholding :

Sr. No.	Category	No. of Shares	% of total No. of shares
1	Promoters and Promoter Group	7949743	53.24206
2	Public Shareholding:		
	- Financial Institutions / Banks	419	0.002806
	- Foreign Institutional Investors (FII)	119711	0.801744
	- Foreign Portfolio Investors	1709455	11.44879
	- Central Government/ State Government(s)/ President of India (IEPF)	39	0.000261
	- Bodies Corporate	2432036	16.28815
	- Individuals – i. Holding nominal share capital upto ₹ 2 lakh	835758	5.597348
	- Individuals – ii. Holding nominal share capital in excess of ₹ 2 lakh	997094	6.677868
	- Clearing Member	141929	0.950545
	- Non Resident Indians	346964	2.323733
	- Other (i.e M/s Family fund , a Partnership Firm and HUF)	398184	2.66677
	Total	14931332	100

(l) Dematerialisation of shares and Liquidity:

Equity shares of the Company can be traded in dematerialised form only. The Company has established connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through its Registrars & Share Transfer Agents Bigshare Services Private Limited.

Corporate Governance Report (Contd.)

Break up of shares in physical and demat form as on 31st March, 2020:

Sr. No.	Particulars	No. of Shares	% of Shares
1	Demat Segment:		
	NSDL	12026523	80.55
	CDSL	2904804	19.45
2.	Physical:	5	0
	Total:	14931332	100.00

(m) Outstanding GDRS / ADRS / Warrants or any Convertible Instruments, conversion date and likely impact on equity: NIL

(n) Commodity price risk or foreign exchange risk and hedging activities:

In order to manage the Company's Foreign Exchange exposure towards exports, imports and foreign currency liabilities, the board in every quarter discusses about the foreign exchange exposure and takes appropriate actions to control the Foreign Exchange Risk. For managing the foreign exchange risk, the Company hedges on regular basis the net outstanding of foreign currency exposures to mitigate the foreign currency risk.

In the Financial Year 2019-20, the Company hedged the Foreign Exchange by taking Plain Vanilla option, forward contract and other similar options to mitigate adverse movement of foreign currency, if required. The unhedged foreign currency exposure has a natural hedge. Thus, Company is reducing the majority of foreign exchange risk by proper planning.

Company has not any direct impact of Commodity price movement like major fluctuation of crude prices. However, it has an indirect impact on the Company since some of our chemical consumption is connected with crude prices and Company is taking required steps for that.

(o) Plant Locations:

Laminate Division

Sr. No.	Unit	Address
1	Unit –RDL	608, GIDC Mansa, Dist. Gandhinagar, Gujarat, India.
2	Unit – MRPL	At Dholakuva Patia, Gandhinagar Mansa Road, Mansa, Dist. Gandhinagar, Gujarat, India.
3	Unit – RHPL	S. No. 125, Nr. Kalyanpura Patia, Village. Itla, Gandhinagar Mansa Road, Tal. Kalol, Dist. Gandhinagar, Gujarat, India

MDF Board Division:

Sr No.	Unit	Address
1.	Unit – Karnataka	Plot No. 58, 59 & 60p, Amble Industrial Estate, Village Amble, Tal. & Dis. Chikmagalur, Karnataka, India.
2.	Unit –Andhra Pradesh (To be started soon)	Plot No. 15B1, 15B2, 15L, 15C, 15K, 15D1 and 15D, Denotified Area-APSEZ, Atchutapuram, District: Visakhapatnam, Andhra Pradesh

Corporate Governance Report (Contd.)

(p) Address for correspondence:

To contact Registrar & Transfer Agent for all matters relating to Shares, Dividends, Annual Reports	Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri(East), Mumbai-400059, Maharashtra, India Tel No.: 022- 62638200 Email: investor@bigshareonline.com Website: www.bigshareonline.com
For any other General Matters or in case of any difficulties / grievances including matters relating to Shares, Dividends, Annual Reports as above	Secretarial Department Rushil Décor Limited, Rushil House, Near Neelkanth Green Bungalow, Off. Sindhu Bhavan Road, Shilaj, Ahmedabad – 380 058, Gujarat, India Email: ipo@rushil.com Tel No.: 079- 61400400 Fax No.: 079- 61400401
Name of the Compliance Officer	Mr. Hasmukh K. Modi Company Secretary

(q) List of all credit ratings obtained by the entity:

Your company has obtained following credit rating during the years under review:

Month of Rating	Credit Rating Agency	Credit Facilities	Rating
May-2019	The Indian rating and research Private Limited	Long term Bank facilities	IND BBB/Negative
		Short term Bank facilities	IND A3+
		External Commercial Borrowings	IND BBB/Negative
August-2019	Infomeric Valuation and Rating Private Limited	Long term Bank facilities	IVR BBB+/Stable Outlook (IVR Triple B Plus with Stable Outlook)
		Short term Bank facilities	IVR A2 (IVR Single A two)

10. OTHER DISCLOSURES

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interest of company at large:

During the Financial year 2019-2020, no materially significant related party transaction undertaken by the Company under Section 188 of the Companies Act, 2013, read with rules framed thereunder, Indian Accounting Standards (Ind AS 24) and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that may have potential conflict with the interest of the Company at large. The Company has entered into some transactions with related parties as defined under Section 2(76) of the Companies Act, 2013, which were in the ordinary course of business and at arms' length basis and the same were duly approved or reviewed by the Audit Committee.

The necessary disclosures regarding the transactions with related parties are given in the notes to the financial statements. Your Company has formulated a Policy on materiality of Related Party Transactions and also dealing with Related Party Transaction. It is posted on the website of the Company which can be accessed by the link https://rushil.com/investors_pdf/codes_policies/Rushil_Related_Party_Transaction_Policy.pdf

Corporate Governance Report (Contd.)

- (b) Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or the Board or any statutory authority on any matter related to capital markets during the last three years :**

There is no such non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or the Board or any statutory authority on any matter related to capital markets during the last three years.

However, SEBI passed an order on 12.05.2017 in Respect of an Inquiry initiated against the Company for Non-disclosure of Loan details in DRHP / RHP / Prospectus and SEBI levied a penalty of ₹ 7,00,000 /- (Rupees Seven Lakhs Only). Company has paid the said penalty to SEBI.

- (c) Whistle-blower policy and affirmation that no personnel has been denied access to the Audit Committee:**

Pursuant to the provision of the section 177(9) of the Companies Act, 2013 read with rules framed thereunder, Regulation 4(2)(d)(iv) and 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Your company has established Vigil Mechanism/ Whistle Blower Policy for their Directors and Employees to report concerns about illegal or unethical practices, unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy.

The details of establishment of such mechanism available on the website of the Company and it can be access by the following link: https://rushil.com/investors_pdf/codes_policies/Whistle_Blower_Policy.51.pdf

It is affirmed that no personnel has been denied to access the Chairman of the Audit Committee.

- (d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

The Company has complied with all applicable mandatory requirements as specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The following non-mandatory requirements under

Part E of Schedule II of the Listing Regulations to the extent they have been adopted are mentioned below:

- i. Modified Opinion in Auditors Report:

The Company's financial statements for the year ended 31st March, 2020 do not contain any modified opinion.

- ii. Reporting of Internal Auditor:

The Internal Auditor directly reports to the Audit Committee.

- (e) Web link where policy on dealing with Material Subsidiaries:**

The Company does not have any subsidiary company; however Company has formulated a policy for determining material subsidiary and it is available on the web link https://rushil.com/investors_pdf/codes_policies/Policy-for-determining-Material-Subsidiary.pdf

- (f) Web link where policy on dealing with related party transaction:**

The Policy on dealing with related party transaction is disclosed on the website of the Company and can be accessed at

https://rushil.com/investors_pdf/codes_policies/Rushil_Related_Party_Transaction_Policy.pdf

- (g) Disclosure of commodity price risks and commodity hedging activities :**

As stated earlier, Company does not have any direct impact of Commodity price movement like major fluctuation of crude prices. However, it has an indirect impact on the Company since some of our chemical consumption is connected with crude prices and Company is taking required steps for that.

- (h) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):**

Not Applicable

- (i) Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry**

Corporate Governance Report (Contd.)

of Corporate Affairs or any such statutory authority.

A certificate from Mr. Shalin Jain, practicing company secretary confirming that none of the Directors on the board of the Company were debarred or disqualified from being re-appointed under retirement by rotation and/or continuing as Directors of the Company by the SEBI, Ministry of Corporate Affairs or any other statutory authorities is attached as "Annexure – A".

(j) **Details of total fees for all services paid by the company to the statutory auditor.**

Statutory Auditor	M/s Parikh & Majmudar
Statutory Audit Fees	₹ 3,50,000/-
Tax Audit Fees	₹ 1,50,000/-
Total	₹ 5,00,000/-

(k) **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

Number of complaints filed during the financial year	Number of complaints disposed of during the financial year	Number of complaints pending as on end of the financial year
NIL		

11. Non-compliance of any requirement of corporate governance report of sub-para (2) to (10) of Schedule V (c) of the Listing Regulations: NIL.

12. The disclosure of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 of Listing Regulations.

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the listing regulations to the extent as applicable with regards to Corporate Governance.

13. Disclosures with respect to demat suspense account/unclaimed suspense account:

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

14. Particulars of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting have been provided in the Notice of the Annual General Meeting.

15. Declaration by the CEO on Code of Conduct as required by Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015: It is attached as "Annexure – B".

16. COMPLIANCE CERTIFICATE: Certificate from M/s. Shalin Jain & Associates, Practicing Company Secretaries, confirming compliances with the conditions of Corporate Governance as stipulated under the Listing Regulations attached as "Annexure – C".

“Annexure – A”

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Rushil Décor Limited
S. NO. 125, Near Kalyanpura Patia,
Village Itla, Gandhinagar Mansa Road,
Tal. Kalol, Dist. Gandhinagar –382845,
Gujarat, India

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Rushil Décor Limited** having **CIN: L25209GJ1993PLC019532** and having registered office at S. NO. 125, Near Kalyanpura Patia, Village Itla, Gandhinagar Mansa Road, Tal. Kalol Dist. Gandhinagar–382845, Gujarat, India (hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Ghanshyambhai Ambalal Thakkar	00208843	08/03/2007
2.	Krupesh Ghanshyambhai Thakkar	01059666	24/05/1993
3.	Shankar Prasad Bhagat	01359807	01/10/2009
4.	Archee Darshanbhai Thakkar	08603730	11/11/2019
5.	Ramanikbhai Tejabhai Kansagara	08341541	02/02/2019
6.	Rohitbhai Bhailalbhai Thakkar	06538323	30/03/2013

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, Shalin Jain & Associates

Shalin M. Jain

Practicing Company Secretary

ACS No: 30427

CP No: 21379

UDIN:A030427B000374298

Place: Ahmedabad

Date: 24.06.2020

“Annexure – B”

DECLARATION ON CODE OF CONDUCT

This is to certify that Company “Rushil Décor Limited” has in place a Code of Conduct applicable to the Board Members as well as the Senior Management Personnel and that the same has been uploaded on the Company’s website ‘www.rushil.com’. I further certify that all the board Members and the Senior Management personnel have affirmed compliance with the Code of Conduct for All Board Members and Senior Management Personnel of the company for the Financial Year 2019-2020.

Place: Ahmedabad
Date:30.07.2020

Keyur M. Gajjar
Chief Executive Officer
Rushil Décor Limited

“Annexure – C”

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
**The Members of
Rushil Decor Limited**

I have examined the compliance of Corporate Governance by Rushil Decor Limited (“the Company”) for the year ended on 31st March, 2020 as stipulated in SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

It is the responsibility of management to comply with the conditions of Corporate Governance. My examination was limited to a review of procedures and implementations thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as applicable to the Company.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, Shalin Jain & Associates

Shalin M. Jain
Practicing Company Secretary
ACS No: 30427
CP No: 21379
UDIN:A030427B000374320

Place: Ahmedabad
Date: 24.06.2020

Independent Auditors' Report

To the Members of **RUSHIL DECOR LIMITED**

REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone Ind AS financial statements of **M/s RUSHIL DECOR LIMITED** ("the Company"), which comprise the standalone balance sheet as at 31st March, 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting standards (Ind AS) specified under section 133 of the Act, of the state of affairs (financial Position) of the Company as at 31st March, 2020, and its Profits (financial performance including other comprehensive income), its Cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act.

Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 52 in the accompanying standalone Ind AS Financial statements of the Company which describes the management's assessment of the likely impact of uncertainties related to outbreak of COVID 19 global pandemic on the operations of the Company.

Our opinion is not modified on the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report (Contd.)

Key Audit Matters:

1. Revenue Recognition

Refer Note 49 to the standalone Ind AS financial statements

Description of Key audit Matter	Our response and results
<p>Revenue of the company comprises of sale of industrial and decorative laminates and sale of medium density fiber boards (plane and pre laminated) to its domestic and international customers. The company sells its products through a network of distributors and dealers in the relevant markets and a part of the sales is also made as institutional sales/project sales directly to the end use customers.</p> <p>Revenue recognition is a significant audit risk across the company. Specifically there is a risk that revenue is recognized on sale of goods before the control in the goods is transferred.</p>	<p>Our key audit procedures to assess the recognition of revenue on sale of goods included the following:</p> <ul style="list-style-type: none"> We assessed the appropriateness of the Company's revenue recognition policies, including those related to discounts and incentives; We obtained an understanding of process and assessed the design, implementation and operating effectiveness of management's key internal controls in relation to revenue recognition from sale of goods. We also tested the Company's controls over timing of revenue recognition; We also tested, on a sample basis, whether specific revenue transactions around the year end had been recognized in the appropriate period on the basis of the terms of sale of the contract, particularly with reference to the transfer of control in the goods in question with regard to the year end transactions. We inspected key customer contracts/ purchase orders to identify terms and conditions related to acceptance of goods and the right to return and assessing the Company's revenue recognition policies with reference to the requirements of the prevailing accounting standards;

2. Delay in commissioning of the Andhra Pradesh MDF Project:

Description of Key audit Matter	Our response and results
<p>The company is in the process of implementing a Greenfield Project involving setting up of a plant for manufacture of thick as well as thin MDF at Achutapuram in Andhra Pradesh with an installed capacity of manufacture of 800 CBM per day of MDF Boards. This project was earlier scheduled to be commissioned before 31.03.2020. However, on account of the impact of Covid-19 Pandemic in the early part of last quarter of FY 2019-20 in countries like Germany and China, where the suppliers of the principal equipments are located, there were delays in the nature of last mile delays in commissioning of the said project and now as informed by the company, the commissioning has been deferred to the next fiscal year and the said project is likely to be commissioned somewhere in the last quarter of fiscal year 2020-21. As a result, the CWIP as of 31.03.2020 comprising of ₹ 338.47 crores represents the capital outlay incurred on this project but which has not been capitalised due to this reason and has been carried as capital work in progress. Implementation of a major Greenfield project has significant risks more particularly there is a risk of cost overrun and also delay in generation of revenues expected out of this project.</p>	<ol style="list-style-type: none"> We assessed the appropriateness of company's capitalization policies including those relating to capitalization of project related expenses. We obtained an understanding of the principal reasons resulting into the delay. We also inspected the key loan agreements of the lenders so as to judge the possibility of deferment of the loan instalments matching with the delay in commissioning of the project, more particularly relating to the correspondences/communications with the key suppliers of machinery and equipments who were not in a position to deploy their engineers for the final commissioning, testing and commencement of production – more particularly the key German supplier who also sited force majeure as a reason for their inability for this purpose.

Independent Auditor's Report (Contd.)

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), Profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Independent Auditor's Report (Contd.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence; and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by section 197(16) of the Act, we report that the company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with schedule V to the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,
 - c. The standalone Balance Sheet, the standalone Statement of Profit and Loss including other Comprehensive Income, standalone Statement of Changes in Equity and the standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations, received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company’s internal financial control over financial reporting.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- I. The Company has disclosed the impact of pending litigations on its financial position in the standalone Ind AS Financial Statements (Refer Note No 36 to the Standalone Ind AS Financial Statements.)
- II. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- III. During the year, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Parikh & Majmudar**
Chartered Accountants
Firm Registration No.: 107525W

(C.A (Dr) Hiten M. Parikh)
Partner
Membership No. 040230
UDIN: 20040230AAAAFV7471

Place: Ahmedabad
Date: 30th July, 2020

ANNEXURE A to the Independent Audit Report of Even Date to the Members Of Rushil Decor Ltd: on the standalone Ind as Financial Statements for the Year Ended 31st March, 2020

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) According to the information and explanations given to us, the property, plant and equipment. are verified in a phased manner by the management, during the year which, in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. The discrepancies noticed on verification between physical stocks and the books of accounts were not material.
- (iii) The company has not granted any loans secured or unsecured loans to Companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (the Act). Accordingly, the provisions of clause 3(iii) (a) (b) and (c) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the company has not made any investment or given loans during the year. Accordingly paragraph 3(iv) of the order is not applicable.
- (v) The Company has not accepted any deposits from the public during the year under review.
- (vi) As explained to us, the Central Government has not prescribed the maintenance of Cost records under sub section (1) of section 148 of the companies Act 2013.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, duty of excise, service tax, Goods & Service Tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, duty of excise, service tax, Goods & Service Tax, cess and other material statutory dues were in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of sales tax, service tax, Goods & Service Tax and value added tax and Income tax which have not been deposited with the appropriate authorities on account of any dispute, However, according to information and explanations given to us, the following dues of duties of Custom and Duty of Excise have not been deposited by the company on account of Dispute:

Nature of Statues	Nature of Dues	Amount (In ₹) (Net of payments)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act,1944	Excise Duty, Interest& Penalty	13,20,210/-	April 2015 to Feb 2016	Custom Excise & Service Tax Appellate Tribunal, Ahmedabad
Central Excise Act,1944	Excise Duty, Interest& Penalty	72,12,185/-	up to Sept-2012	Custom Excise & Service Tax Appellate Tribunal, Ahmedabad
The Customs Act 1962	Custom Duty with Interest & Penalty	2255536/- with Interest 500000/- Penalty	FY 2014-15	Custom Excise & Service Tax Appellate Tribunal, Ahmedabad

- (viii) According to information & explanations given to us, the company has not defaulted in repayment of its dues to Banks or Financial institutions or Government. The company does not have any borrowings from debenture holders.

ANNEXURE A to the Independent Audit Report of even date to the members of Rushil Decor Ltd: on the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

- (ix) According to the information & explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year under review. However, the term loans raised during the year has been applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Ind AS.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Parikh & Majmudar**
Chartered Accountants
Firm Registration No.: 107525W

(C.A (Dr) Hiten M. Parikh)
Partner
Membership No. 040230
UDIN: 20040230AAAAFV7471

Place: Ahmedabad
Date: 30th July, 2020

ANNEXURE B to the Independent Auditor's Report of Even Date to the Members of RUSHIL DECOR LIMITED on the Standalone Ind AS Financial Statements for the year ended on 31st March, 2020

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the standalone Ind AS financial statements of **M/s RUSHIL DECOR LIMITED** ("the Company") as at and for the year ended 31st March, 2020, We have audited the internal financial controls over financial reporting of the company as of that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting and the Guidance Note issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating

effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ANNEXURE B to the Independent Auditor's Report of Even Date to the Members of RUSHIL DECOR LIMITED on the Standalone Ind AS Financial Statements for the year ended on 31st March, 2020 (Contd.)

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020,

based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Parikh & Majmudar**
Chartered Accountants
Firm Registration No.: 107525W

(C.A (Dr) Hiten M. Parikh)
Partner
Membership No. 040230
UDIN: 20040230AAAAFV7471

Place: Ahmedabad
Date: 30th July, 2020

Standalone Balance Sheet

as at 31st March, 2020

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

(Amount in ₹)

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
(I) ASSETS			
(1) Non- current Assets			
(a) Property, Plant and Equipment	1	1,97,20,42,460	2,04,16,33,953
(b) Capital work-in-progress	1	3,38,46,85,486	97,78,46,643
(c) Other Intangible assets	2	6,28,938	10,13,676
(d) Financial Assets			
(i) Investments	3	1,25,000	1,25,000
(ii) Trade receivables	4	2,30,80,878	1,71,87,896
(iii) Loans	5	10,38,369	9,66,128
(e) Other non-current assets	6	54,52,23,045	92,91,51,966
Total Non- current Assets		5,92,68,24,176	3,96,79,25,262
(2) Current Assets			
(a) Inventories	7	85,58,45,552	87,96,35,235
(b) Financial Assets			
(i) Trade receivables	8	61,15,94,075	55,20,52,810
(ii) Cash and cash equivalents	9	65,50,236	65,89,824
(iii) Bank balances other than (ii) above	10	5,16,53,857	5,23,51,674
(iv) Loans	11	-	3,16,18,262
(c) Current Tax Assets		-	-
(d) Other current assets	12	40,55,66,829	29,19,28,490
Total Current Assets		1,93,12,10,549	1,81,41,76,295
Total Assets :		7,85,80,34,725	5,78,21,01,557
(II) EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	13	14,93,13,320	14,93,13,320
(b) Other Equity	14	2,13,46,89,861	1,90,99,03,621
Total Equity		2,28,40,03,181	2,05,92,16,941
(2) Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	3,38,84,66,397	1,80,19,45,476
(ii) Trade Payables			
- dues to micro and small enterprises		-	-
- dues to other than micro and small enterprises	16a	1,06,44,336	43,48,634
(iii) Other Financial Liabilities	16b	7,60,22,584	3,70,59,453
(b) Provisions	17	2,13,19,445	1,37,56,009
(c) Deferred tax liabilities (Net)	18	23,48,95,026	30,73,53,142
(d) Other non-current liabilities	19	7,93,87,960	8,00,23,368
Total Non-Current Liabilities		3,81,07,35,748	2,24,44,86,082
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	58,31,59,389	52,98,80,644
(ii) Trade Payables			
- dues to micro and small enterprises	21	5,34,38,067	3,84,03,268
- dues to other than micro and small enterprises	21	90,44,14,821	69,96,34,541
(iii) Other financial liabilities	22	10,08,60,764	12,02,47,794
(b) Other current liabilities	23	3,21,40,583	2,41,53,132
(c) Provisions	24	5,15,41,173	6,35,67,419
(d) Current Tax Liabilities (Net)	25	3,77,40,999	25,11,736
Total Current Liabilities		1,76,32,95,796	1,47,83,98,534
Total Equity and Liabilities :		7,85,80,34,725	5,78,21,01,557

The accompanying Notes 1 to 54 are integral part of these Standalone Financial Statements.

For and on behalf of the Board of Directors, Rushil Décor Limited

For **Parikh & Majmudar**
Chartered Accountants
(Firm Regn.No.107525W)

(Ghanshyambhai A. Thakkar)
Chairman
DIN : 00208843

(Krupeshbhai G. Thakkar)
Managing Director
DIN : 01059666

(C.A (Dr) Hiten M. Parikh)

(K.M. Gajjar)

(V.S. Vora)

(H.K. Modi)

Partner

Chief Executive Officer

Chief Financial Officer

Company Secretary

Membership No.040230
UDIN: 20040230AAAAFV7471
Place: Ahmedabad
Date: 30th July, 2020

Standalone Statement of Profit and Loss

for the year ended 31st March, 2020

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

(Amount in ₹)

Particulars	Note No.	Year ended 31st March, 2020	Year ended 31st March, 2019
I Revenue from Operations	26	3,35,59,80,412	3,43,74,20,924
II Other Income	27	3,53,58,314	8,49,02,299
III Total Income (I +II)		3,39,13,38,726	3,52,23,23,223
IV Expenses:			
(a) Cost of Materials Consumed	28	1,73,09,43,597	1,93,37,07,755
(b) Purchases of Stock-in-Trade	29	1,35,36,052	6,11,113
(c) Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	30	25,59,257	(1,68,15,206)
(d) Employee Benefits Expense	31	29,31,55,456	25,62,23,170
(e) Finance Costs	32	12,04,43,123	13,59,04,151
(f) Depreciation and Amortization Expense		8,68,93,646	8,62,91,158
(g) Other Expenses	33	94,66,45,185	89,72,07,136
Total Expenses (IV)		3,19,41,76,316	3,29,31,29,277
V Profit before tax (III- IV)		19,71,62,410	22,91,93,946
VI Tax expense :	34		
(1) Current Tax (Including Short/Excess provision of earlier years)		4,02,29,659	6,58,67,735
(2) Deferred Tax		(7,35,64,408)	1,99,76,577
Total Tax Expenses (VI)		(3,33,34,749)	8,58,44,312
VII Profit for the period (V -VI)		23,04,97,159	14,33,49,634
VIII Other Comprehensive Income (OCI)			
A (i) Items that will not be reclassified to profit or loss		43,95,629	(5,14,606)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(11,06,292)	1,79,824
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income (VIII)		32,89,337	(3,34,782)
IX Total Comprehensive Income for the period (VII + VIII) (Comprising Profit and Other Comprehensive Income for the period)		23,37,86,496	14,30,14,852
X Earnings per equity share (Face Value of ₹ 10/- each) Basic & Diluted	35	15.44	9.61

The accompanying Notes 1 to 54 are integral part of these Standalone Financial Statements.

For and on behalf of the Board of Directors, Rushil Décor Limited

For **Parikh & Majmudar**
Chartered Accountants
(Firm Regn.No.107525W)

(Ghanshyambhai A. Thakkar)
Chairman
DIN : 00208843

(Krupeshbhai G. Thakkar)
Managing Director
DIN : 01059666

(C.A (Dr) Hiten M. Parikh)
Partner
Membership No.040230
UDIN: 20040230AAAAFV7471
Place: Ahmedabad
Date: 30th July, 2020

(K.M. Gajjar)
Chief Executive Officer

(V.S. Vora)
Chief Financial Officer

(H.K. Modi)
Company Secretary

Standalone Cash Flow Statement

for the year ended 31st March, 2020

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

	(Amount In ₹)	
Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax as per Standalone Statement of Profit & Loss	19,71,62,410	22,91,93,946
Adjustments for		
Re-measurement gain/(loss) on defined benefit plans	43,95,629	(5,14,606)
Depreciation and amortization expense	8,68,93,646	8,62,91,158
Interest and Finance cost	12,04,43,123	13,59,04,151
(Profit)/Loss on disposal of Property, Plant and Equipment	(5,52,879)	-
	21,11,79,519	22,16,80,703
Operating Profit Before Working Capital Changes	40,83,41,929	45,08,74,649
Adjustment for Change In:		
(Increase) / Decrease in Inventories	2,37,89,683	(4,72,72,085)
(Increase) / Decrease in Trade Receivables	(6,54,34,247)	(6,74,87,974)
(Increase) / Decrease in Financial Assets	6,25,576	(86,59,474)
(Increase) / Decrease in Other Assets	(12,84,36,527)	(23,87,33,919)
Increase / (Decrease) in Trade Payables	22,61,10,781	10,05,52,824
Increase / (Decrease) in Financial Liabilities	1,95,76,102	(3,60,67,700)
Increase / (Decrease) in Other Liabilities	1,49,15,479	7,49,90,229
Increase / (Decrease) in Short Term Provisions	(1,20,26,246)	4,48,36,031
	7,91,20,601	(17,78,42,068)
	48,74,62,530	27,30,32,581
Direct Taxes Paid (Net of Refunds)	(1,61,60,616)	(8,69,72,694)
Net Cash Generated From Operations	47,13,01,914	18,60,59,887
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment (including WIP & Pre-operative Expenses)	(2,42,39,86,828)	(1,12,31,52,689)
Adjustment for Revaluation Reserve	-	2,21,00,000
Sale of Property, Plant and Equipment	7,83,448	-
Purchase of Shares	-	(1,15,000)
Loans (Given)	3,16,18,262	(66,18,262)
Changes in Non Current Assets	40,98,87,329	(60,76,28,460)
Net Cash Generated From Investing Activities	(1,98,16,97,789)	(1,71,54,14,411)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Issue of share capital	-	21,38,720
Securities premium	-	19,80,90,320
Increase / (Decrease) in Long term borrowings	1,58,65,20,922	1,41,33,02,251
Increase / (Decrease) in Short term borrowings	5,32,78,744	6,16,65,765
Interest and Finance cost	(12,04,43,123)	(13,59,04,151)
Dividend Paid (Including Tax On Dividend)	(90,00,256)	(90,00,256)
Net Cash Generated From Financing Activities	1,51,03,56,287	1,53,02,92,649
Net Increase In Cash & Cash Equivalents	(39,588)	9,38,125
Cash & Cash Equivalents At		
Opening	65,89,824	56,51,699
Closing	65,50,236	65,89,824
Cash & Cash Equivalent as per above comprises of the following:		
Cash & Cash Equivalent (Refer Note No.9)	65,50,236	65,89,824

The accompanying notes are an integral part of these financial statements.

Notes: 1. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS-7) Statement of Cashflows.

This is the Cashflow Statement referred to in our report of even date.

For and on behalf of the Board of Directors, Rushil Décor Limited

For **Parikh & Majmudar**
Chartered Accountants
(Firm Regn.No.107525W)

(Ghanshyambhai A. Thakkar)
Chairman
DIN : 00208843

(Krupeshbhai G. Thakkar)
Managing Director
DIN : 01059666

(C.A (Dr) Hiten M. Parikh)
Partner
Membership No.040230
UDIN: 20040230AAAAFV7471
Place: Ahmedabad
Date: 30th July, 2020

(K.M. Gajjar)
Chief Executive Officer

(V.S. Vora)
Chief Financial Officer

(H.K. Modi)
Company Secretary

Standalone Statement of Changes in Equity

for the year ended 31st March, 2020

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

A) EQUITY SHARE CAPITAL

Particulars	(Amount in ₹)
For the year ended 31st March, 2020	
Balance as at 1st April, 2019	14,93,13,320
Changes in equity share capital during the year :	
Issued during the year	-
Balance as at 31st March, 2020	14,93,13,320
For the year ended 31st March, 2019	
Balance as at 1st April, 2018	14,71,74,600
Changes in equity share capital during the year :	
Issued during the year	21,38,720
Balance as at 31st March, 2019	14,93,13,320

B) OTHER EQUITY

Reconciliation of Other Equity as at 31st March, 2020

Particulars	Reserves and Surplus						Total	
	Capital Redemption Reserve	Securities Premium	Amalgamation Reserve	Money received against share warrants	General Reserve	Revaluation Reserve		Retained Earnings
Balance at the beginning of the reporting period	50,000	79,82,47,876	33,00,000	-	60,00,000	18,51,99,141	91,71,06,604	1,90,99,03,621
Issued during the period	-	-	-	-	-	-	-	-
Converted into Equity Shares	-	-	-	-	-	-	-	-
Received against shares issued during the year	-	-	-	-	-	-	-	-
Depreciation transferred (to)/from Revaluation Reserve	-	-	-	-	-	-	-	-
Dividend on Equity Shares	-	-	-	-	-	-	(74,65,666)	(74,65,666)
Tax on Dividend	-	-	-	-	-	-	(15,34,590)	(15,34,590)
Adjustments as per Ind AS	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	23,04,97,159	23,04,97,159
Other Comprehensive Income for the year	-	-	-	-	-	-	32,89,337	32,89,337
Balance at the end of the reporting period	50,000	79,82,47,876	33,00,000	-	60,00,000	18,51,99,141	1,14,18,92,844	2,13,46,89,861

**Statement of Changes in Equity (Contd.)
for the year ended 31st March, 2020**
RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

Reconciliation of Other Equity as at 31st March 2019

Particulars	Reserves and Surplus					Total		
	Capital Redemption Reserve	Securities Premium	Amalgamation Reserve	Money received against share warrants	General Reserve		Revaluation Reserve	Retained Earnings
Balance at the beginning of the reporting period	50,000	60,01,57,556	33,00,000	-	60,00,000	16,68,11,539	78,30,92,008	1,55,94,11,103
Issued during the period	-	-	-	-	-	-	-	-
Converted into Equity Shares	-	-	-	-	-	-	-	-
Received against share issue to Qualified Institutional Investors	-	19,80,90,320	-	-	-	-	-	19,80,90,320
Depreciation transferred (to)/from Revaluation Reserve	-	-	-	-	-	-	-	-
Dividend on Equity Shares	-	-	-	-	-	-	(74,65,666)	(74,65,666)
Tax on Dividend	-	-	-	-	-	-	(15,34,590)	(15,34,590)
Adjustments as per Ind AS	-	-	-	-	-	1,83,87,602	-	1,83,87,602
Profit for the year	-	-	-	-	-	-	14,33,49,634	14,33,49,634
Other Comprehensive Income for the year	-	-	-	-	-	-	(3,34,782)	(3,34,782)
Balance at the end of the reporting period	50,000	79,82,47,876	33,00,000	-	60,00,000	18,51,99,141	91,71,06,604	1,90,99,03,621

The accompanying notes are integral part of these Standalone Financial Statements. This is the Statement of Changes in Equity referred to in our report of even date.

For **Parikh & Majmudar**
Chartered Accountants
(Firm Regn. No.107525W)

(C.A Dr) Hiten M. Parikh
Partner
Membership No.040230
UDIN: 20040230AAAAFV7471
Place: Ahmedabad
Date: 30th July, 2020

For and on behalf of the Board of Directors, Rushil Décor Limited
(Ghanshyambhai A. Thakkar)
Chairman
DIN : 00208843

(V.S. Vora)
Chief Financial Officer

(K.M. Gajjar)
Chief Executive Officer

(Krupeshbhai G. Thakkar)
Managing Director
DIN : 01059666

(H.K. Modi)
Company Secretary

Notes to the Standalone Financial Statements

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

A. DISCLOSURE OF ACCOUNTING POLICIES

(a) CORPORATE INFORMATION

The Company is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on The National Stock Exchange and The Bombay Stock Exchange. The Company is primarily engaged in manufacturing and sale of Laminate Sheets, Medium Density Fibre Board, Pre-laminated Medium Density Fibre Board boards, and Polyvinyl Chloride Board. The Company presently has manufacturing facilities at Itla, Mansa and Dholakuva in (Gujarat) and Chikkamagaluru (Karnataka).

(b) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

These Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 ("the Act") (to the extent notified) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The Financial Statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS 1 – 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

Accounting policies have been consistently applied consistently to all the periods presented in the financial statements.

The financial statements are presented in Indian Rupees ('INR'). Where changes are made in presentation, the comparative figures of the

previous year are regrouped and re-arranged accordingly.

(c) USE OF ESTIMATES :

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(d) PROPERTY, PLANT AND EQUIPMENT:

- i) Property, Plant and Equipment are stated at original cost (net of tax/duty credit availed) less accumulated depreciation and impairment losses except freehold land which is carried at fair value. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, and pre-operative expenses including attributable borrowing costs incurred during pre-operational period.
- ii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.
- iii) Assets which are not ready for their intended use on reporting date are carried as capital work-in-progress at cost, comprising direct cost and related incidental expenses.
- iv) Property, Plant and Equipment including continuous process plants are depreciated and/or amortised on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Depreciation is provided on

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

straight line method over its useful life (as per schedule III of the Companies Act 2013)

- v) Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use. The provision for depreciation for multiple shifts has been made in respect of eligible assets on the basis of operation of respective units.
- vi) An asset's carrying amount is written down immediately on discontinuation to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit/ Loss on Sale and Discard of Fixed Assets.
- vii) Useful lives of the Property, Plant and Equipment as notified in Schedule II to the Companies Act, 2013 are as follows :
 - Buildings - 30 to 60 years
 - Plant and Equipments - 15 to 25 years
 - Furniture and Fixtures - 10 years
 - Vehicles - 8 to 10 years
 - Office Equipments - 5 to 10 years
 - Others – Computer Hardware 3 to 6 years
- viii) At each balance sheet date, the Company reviews the carrying amount of property, plant and equipment to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

(e) INTANGIBLE ASSETS:

- i) Intangible assets acquired by payment e.g. Computer Software is disclosed at cost less amortization on a straight-line basis over its estimated useful life.
- ii) Intangible assets are carried at cost, net of accumulated amortization and impairment loss, if any.
- iii) Intangible assets are amortised on straight-line method as follows :

Computer Software - 5 years

- iv) At each balance sheet date, the Company reviews the carrying amount of intangible assets to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

(f) REVENUE RECOGNITION:

- i) Revenue comprises of all economic benefits that arise in the ordinary course of activities of the Company which result in increase in Equity, other than increases relating to contributions from equity participants. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.
- ii) Sale of Goods: Revenue from sales of goods is recognised upon transfer of control to the customers. Revenue shown in the Statement of Profit and Loss are excluding of inter-transfers, returns, trade discounts, cash discounts, Goods and Service Tax.
- iii) Services: Revenue from Services are recognised as and when the services are rendered.
- iv) Export incentives under various schemes are accounted in the year of export.
- v) Interest: Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(g) EMPLOYEE BENEFITS:

- i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- ii) Post Employment and Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are provided for on the basis of third party actuarial valuation, using the projected unit credit

Notes to the Standalone Financial Statements (Contd.)

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method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972.

- iii) The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period on government bonds that have terms approximating to the terms of the related obligation.
- iv) Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organization established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid.

(h) VALUATION OF INVENTORIES

- i) The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. The costs of Raw Materials, Stores and spare parts etc., consumed consist of purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), freight inwards and other expenditure directly attributable to the procurement.
- ii) Stock of Raw Materials are valued at cost and of those in transit and at port related to these items are valued at cost to date. Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet. Material and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.
- iii) Stock of Stores and spare parts, and Power

& Fuels are valued at cost; and of those in transit and at port related to these items are valued at cost.

- iv) Goods-in-process is valued at lower of cost or net realisable value.
- v) Stock of Finished goods is valued at lower of cost or net realisable value, and Stock at port is valued at Cost.
- vi) Stock-in-trade is valued at lower of cost or net realisable value.

(i) CASH FLOW STATEMENT:

- i) Cash flows are reported using indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Company is segregated.
- ii) Cash and cash equivalents in the balance sheet comprise cash at bank, cash/cheques in hand and short term investments with an original maturity of three months or less.

(j) FINANCIAL ASSETS:

- i) The Company classifies its financial assets as those to be measured subsequently at fair value (through the standalone Statement of Profit and loss).
- ii) Trade receivables represent receivables for goods sold by the Company up to the end of the financial year. The amounts are generally unsecured and are usually received as per the terms of payment agreed with the customers. The amounts are presented as current assets where receivable is due within 12 months from the reporting date.
- iii) Trade receivables are impaired using the lifetime expected credit loss model under simplified approach. The Company uses a matrix to determine the impairment loss allowance based on its historically observed default rates over expected life of trade receivables and is adjusted for forward looking estimates. At every reporting date, the impairment loss allowance is determined and updated and the same is deducted from Trade Receivables with corresponding charge/credit to the standalone Statement of Profit and Loss.

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

- iv) A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset, or when it has transferred substantially all the risks and rewards of the asset, or when it has transferred the control of the asset.

(k) FINANCIAL LIABILITIES:

- i) Borrowings are initially recognised and subsequently measured at amortised cost, net of transaction costs incurred. The transaction costs is amortised over the period of borrowings using the effective interest method in Capital Work in Progress up to the commencement of related Plant, Property and Equipment and subsequently under finance costs in the standalone Statement of profit and loss .
- ii) Borrowings are removed from balance sheet when the obligation specified in the contract is discharged, cancelled or expired.
- iii) Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.
- iv) Trade Payables represent liabilities for goods and services provided to the Company up to the end of the financial year. The amounts are unsecured and are usually paid as per the terms of payment agreed with the vendors. The amounts are presented as current liabilities unless payment is not due within 12 months after the reporting period.
- v) Financial assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.
- vi) Derivative financial instruments are in the nature of Forward contracts. Forward contracts are executed to hedge the foreign exchange rate with respect to liabilities for goods and services in foreign currencies.
- vii) Derivative financial instruments are recognised initially and subsequently at fair value through mark to market valuation obtained from Forex Advisors. Gain or loss

arising from the changes in fair value of derivatives is debited to the foreign exchange fluctuations in the standalone statement of profit and loss.

(l) FAIR VALUE MEASUREMENT:

- i) The Company measures financial instruments such as derivatives at fair value at each balance sheet date.
- ii) The Company also measures Land at fair value at each balance sheet date.
- iii) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.
- iv) The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
- v) A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
- vi) The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
- vii) The assets and liabilities which has been measured at fair value are, Derivatives and Land.

(m) FOREIGN CURRENCY TRANSACTIONS:

- i) The Company's financial statements are presented in Indian Rupees ('INR'), which is

Notes to the Standalone Financial Statements (Contd.)

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also the Company's functional currency.

- ii) Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.
- iii) Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(n) LEASE

Operating Lease

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the

Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

On transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

(o) BORROWING COSTS:

- i) Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.
- ii) General and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use.
- iii) All other borrowing costs are expensed in the period in which they are incurred.

(p) ACCOUNTING FOR TAXES ON INCOME:

- i) Tax expenses comprise of current tax and deferred tax including applicable surcharge and cess.
- ii) Current Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.
- iii) Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax

Notes to the Standalone Financial Statements (Contd.)

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bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profits against which the deductible temporary differences, and the carry forward unused tax credits and unused tax losses can be utilised.

- iv) The the carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it is become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.
- v) Deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income. As such, deferred tax is also recognised in other comprehensive income.
- vi) Deferred Tax Assets and Deferred Tax Liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the Deferred Tax Assets and Deferred Tax Liabilities relate to taxes on income levied by same governing taxation laws.

(q) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

- i) Provisions are made when (a) the Company has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate is made of the amount of the obligation.

- ii) Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts. Contingent liabilities is disclosed in case of a present obligation from past events (a) when it is not probable that an outflow of resources will be required to settle the obligation; (b) when no reliable estimate is possible; (c) unless the probability of outflow of resources is remote.
- iii) Contingent assets are not accounted but disclosed by way of Notes on Accounts where the inflow of economic benefits is probable.

(r) CURRENT AND NON-CURRENT CLASSIFICATION:

- i) The Normal Operating Cycle for the Company has been assumed to be of twelve months for classification of its various assets and liabilities into "Current" and "Non-Current".
- ii) The Company presents assets and liabilities in the balance sheet based on current and non-current classification.
- iii) An asset is current when it is (a) expected to be realised or intended to be sold or consumed in normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realised within twelve months after the reporting period; (d) Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.
- i) An liability is current when (a) it is expected to be settled in normal operating cycle; (b) it is held primarily for the purpose of trading; (c) it is due to be discharged within twelve months after the reporting period; (d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

(s) GOVERNMENT GRANTS

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are

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expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected remaining useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the standalone statement of profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

(t) SEGMENT REPORTING:

- i) Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM assesses the financial performance and position of the Company, and makes strategic decisions. The CODM consists of the Chairman, Managing Director, Chief Executive Officer and Chief Financial Officer.
- ii) The Company's operating businesses are organised and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The identifiable segments are Manufacturing and Sale of (a) Decorative Laminated Sheets (b) Medium Density Fibre Board and (c) Polyvinyl Chloride Board.
- iii) The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are (a) Sales within India include sales to customers located within India; (b) Sales outside India include sales to customers located outside India.
- iv) Common allocable costs are allocated to each segment according to the ratio of their respective turnover to the total turnover.
- v) The Unallocated Segment includes general corporate income and expense items, which are not allocated to any business segment.

(u) RELATED PARTY TRANSACTIONS:

- i) A related party is a person or entity that is related to the reporting entity preparing its financial statements
- (a) A person or a close member of that person's family is related to reporting entity if that person;

- (i) has control or joint control of the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies;
 - (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)
 - (i) Has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.
- ii) A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Close members of the family of a person are those family members who may be expected

Notes to the Standalone Financial Statements (Contd.)

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to influence, or be influenced by, that person in their dealings with the entity.

Compensation includes all employee benefits i.e. all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

- iii) Disclosure of related party transactions as required by the accounting standard is furnished in the Notes on the Standalone Financial Statements.

(v) EARNINGS PER SHARE:

- i) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- ii) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(w) EXPENSES FOR CORPORATE SOCIAL RESPONSIBILITY:

- i) In case of CSR activities undertaken by the Company, if any expenditure of revenue nature is incurred or an irrevocable contribution is made to any agency to be spent by the latter on any of the activities mentioned in Schedule VII to the Companies Act, 2013, the same is charged as an expense to its Statement of Profit and Loss.
- ii) In case, the expenditure incurred by the Company is of such a nature which gives rise to an asset, such an asset is recognised where the Company retains the control of the asset and any future economic benefit

accrues to it. A liability incurred by entering in to a contractual obligation is recognised to the extent to which CSR activity is completed during the year.

(x) CRITICAL ACCOUNTING JUDGMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Standalone Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

(i) Determination of Functional Currency

Currency of the primary economic environment in which the Company operates ("the functional currency") is Indian Rupee (₹) in which the Company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (₹).

(ii) Evaluation of Indicators for Impairment of Property, Plant and Equipment

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline asset's value, significant changes in the technological, market, economic or legal environment, market interest rates

Notes to the Standalone Financial Statements (Contd.)

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etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment.

b) Assumptions and Estimation Uncertainties

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

(i) Useful lives of Property, Plant and Equipment/Intangible Assets

Property, Plant and Equipment/ Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

(ii) Contingent Liabilities

In the normal course of business, Contingent Liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of

crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the Notes but are not recognised. Potential liabilities that are remote are neither recognised nor disclosed as contingent liability. The management decides whether the matters need to be classified as 'remote', 'possible' or 'probable' based on expert advice, past judgements, experiences etc.

(iii) Evaluation of Indicators for Impairment of Property, Plant and Equipment

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the idle assets etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment and such assessment is based on estimates, future plans as envisaged by the Company.

(iv) Provisions

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

Notes to the Standalone Financial Statements (Contd.)
RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

1. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	(Amount in ₹)							TOTAL
	Freehold Land	Leasehold Land	Buildings	Plant and Equip-ments	Furniture and Fixtures	Vehicles	Computers	
Cost of Assets								
As at 1st April, 2019	48,24,04,500	-	58,40,38,379	1,39,80,01,707	4,66,60,176	5,60,16,186	86,63,479	2,57,57,84,427
Addition	39,42,459	-	24,79,308	1,03,41,056	-	61,201	5,73,960	1,73,97,984
Disposal / Adjustments	-	-	-	5,67,768	-	4,41,681	-	10,09,449
Transfer	-	-	-	-	1,00,000	-	-	1,00,000
As at 31st March, 2020	48,63,46,959	-	58,65,17,687	1,40,77,74,995	4,65,60,176	5,56,35,706	92,37,439	2,59,20,72,962
Depreciation								
As at 1st April, 2019	-	-	10,64,92,865	38,17,55,740	1,16,03,183	2,88,90,821	54,07,865	53,41,50,474
Charge for the period	-	-	1,81,40,250	5,56,31,543	44,62,625	64,95,229	17,79,261	8,65,08,908
Disposal / Adjustments	-	-	-	2,04,935	-	4,23,945	-	6,28,880
Transfer	-	-	-	-	-	-	-	-
As at 31st March, 2020	-	-	12,46,33,115	43,71,82,348	1,60,65,808	3,49,62,105	71,87,126	62,00,30,502
Net Block								
As at 31st March, 2019	48,24,04,500	-	47,75,45,514	1,01,62,45,967	3,50,56,993	2,71,25,365	32,55,614	2,04,16,33,953
As at 31st March, 2020	48,63,46,959	-	46,18,84,572	97,05,92,647	3,04,94,368	2,06,73,601	20,50,313	1,97,20,42,460

CAPITAL WORK IN PROGRESS AND PRE-OPERATIVE EXPENSES:

Particulars	(Amount in ₹)	
		TOTAL
As at 31st March, 2019		97,78,46,643
As at 31st March, 2020		3,38,46,85,486

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

2. OTHER INTANGIBLE ASSETS

(Amount in ₹)

Particulars	As at 31st March, 2020	
	Computer Software	Total
Cost of Assets		
As at 1st April, 2019	29,69,458	29,69,458
Addition	-	-
Disposal / Adjustments	-	-
As at 31st March 2020	29,69,458	29,69,458
Amortization		
As at 1st April 2019	19,55,782	19,55,782
Charge for the period	3,84,738	3,84,738
Disposal / Adjustments	-	-
As at 31st March, 2020	23,40,520	23,40,520
Net Block		
As at 31st March, 2019	10,13,676	10,13,676
As at 31st March, 2020	6,28,938	6,28,938

3. INVESTMENTS (AT AMORTISED COST):

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
(a) Investment in unquoted equity instruments				
Total 125 number of Equity shares of Indian Laminate Manufactures Association at ₹ 1000/- per share fully paid up		1,25,000		1,25,000
		1,25,000		1,25,000

4. TRADE RECEIVABLES :

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
Non-current Trade Receivable				
Unsecured, considered good unless otherwise stated		2,30,80,878		1,71,87,896
		2,30,80,878		1,71,87,896

5. LOANS :

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
Unsecured considered good unless otherwise stated		10,38,369		9,66,128
- Loans to Staff		10,38,369		9,66,128

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

6. OTHER NON-CURRENT ASSETS : Unsecured considered good unless otherwise stated

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
(a) Advance for Capital goods		40,65,55,375		81,64,42,704
(b) Security Deposit		6,60,19,773		4,36,51,924
(c) Advance other than Capital goods		20,60,468		17,717
(d) Other Loan and advances (including Balances with Government authorities)		65,72,433		2,56,358
(e) Advance Income Tax , TDS & TCS		39,04,693		6,58,254
(f) Prepaid Expenses		6,01,10,303		6,81,25,009
Total		54,52,23,045		92,91,51,966

7. INVENTORIES

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
(a) Raw Materials*		27,10,52,495		31,61,37,800
(b) Work in progress		5,10,01,333		7,15,80,366
(c) Finished goods (Finished Goods at Port ₹ 3,42,69,008/- P.Y ₹ 2,44,19,401/-)*		40,62,73,953		38,82,54,177
(d) Stores and spares		12,63,33,926		10,24,71,708
(e) Power & Fuel		11,83,845		11,91,184
* Excluding goods damaged by flood ₹ 7969114/- (Finished Goods) P.Y. Excluding goods destroyed by fire of ₹ 6733265/- (Raw material ₹ 4658735/- and Finished Goods ₹ 2074530/-)				
* Including stock of Purchase for Trading goods ₹ 24,86,227/- (Raw material) and ₹ 34,30,272/- (Finished Goods)				
Total		85,58,45,552		87,96,35,235

8. TRADE RECEIVABLES :

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
Unsecured, considered good unless otherwise stated		61,15,94,075		55,20,52,810
Total		61,15,94,075		55,20,52,810

9. CASH AND CASH EQUIVALENTS

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
(a) Balances with Scheduled Banks				
In current Account		20,32,840		8,71,034
In EEFC Account in USD		-		22,13,233
In Dividend Account		1,80,346		88,301
(b) Cash on hand		43,37,050		34,17,256
		65,50,236		65,89,824

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

10. OTHER BANK BALANCES

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
(a) Fixed Deposit with Banks*		5,16,53,857		5,23,51,674
* The Company has pledged above margin money deposit with bank as margin money against credit facilities towards bank guarantee and letter of credit.				
		5,16,53,857		5,23,51,674

11. LOANS (Unsecured considered good unless otherwise stated)

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
(a) Other Loans		-		3,16,18,262
Total		-		3,16,18,262

12. OTHER CURRENT ASSETS (Unsecured considered good) :

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
Balance with government authorities		22,40,48,488		7,25,40,212
Income Tax Refund Receivable		79,13,781		-
Licence on hand & Licence Receivables		8,17,59,610		12,94,38,609
Advance to Suppliers		5,46,59,257		5,35,13,065
Prepaid Expenses		2,83,60,339		2,29,05,685
Other Advances		8,56,240		67,97,654
Insurance claim receivable		79,69,114		67,33,265
		40,55,66,829		29,19,28,490

13. SHARE CAPITAL :

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
Authorised :				
20000000 (p.y 20000000) Equity Shares of ₹ 10/- each		20,00,00,000		20,00,00,000
		20,00,00,000		20,00,00,000
Issued & Subscribed and Paid up :				
14931332 (P.Y 14931332)Equity Shares of ₹ 10/- each fully paid up		14,93,13,320		14,93,13,320
		14,93,13,320		14,93,13,320

1) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year	In numbers	As at 31st March, 2020	In numbers	As at 31st March, 2019
At the beginning of period	1,49,31,332	14,93,13,320	1,47,17,460	14,71,74,600
Issued during the year	-	-	2,13,872	21,38,720
Outstanding at the end of year	1,49,31,332	14,93,13,320	1,49,31,332	14,93,13,320

Note : The company has only one class of shares having Par value of ₹ 10 per share. Each Share Holder ie eligible for one vote Per Share.

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

2) Details of shares held by each shareholder holding more than 5% shares:	As at 31st March, 2020	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2019
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Ghanshyambhai Ambalal Thakkar	19,90,900	13	19,90,900	13
Krupesh Ghanshyambhai Thakkar and Ghanshyambhai Ambalal Thakkar Repre. Rushil International (Partnership Firm)	18,45,770	12	18,45,770	12
Krupesh Ghanshyambhai Thakkar	19,85,925	13	19,27,866	13
Krupesh G. Thakkar Karta of Krupesh Ghanshyambhai Thakkar (HUF)	13,89,693	9	13,89,693	9
Elara India Opportunities Fund Limited	7,77,700	5	7,77,700	5

14. OTHER EQUITY :

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
a) Capital Redemption Reserve (For Redemption of Preference Share Capital)		50,000		50,000
b) Others				
1) Securities Premium				
Opening Balance	79,82,47,876		60,01,57,556	
Add : Addition during the year	-		19,80,90,320	
	79,82,47,876	79,82,47,876	79,82,47,876	79,82,47,876
2) Amalgamation Reserve		33,00,000		33,00,000
3) General Reserve				
Opening Balance	60,00,000		60,00,000	
Add : Addition during the year	-	60,00,000	-	60,00,000
4) Revaluation Reserve (Fair value of land net of Deferred Tax Liability)				
Opening Balance	18,51,99,141		16,68,11,539	
Add : Addition during the year	-	18,51,99,141	1,83,87,602	18,51,99,141
5) Retained Earnings				
Balance Brought Forward From Previous Year	91,71,06,604		78,30,92,008	
Add: Profit/(Loss) for the year	23,04,97,159		14,33,49,634	
Less: Other Comprehensive Income arising from Remeasurement of defined benefit obligation net of Income Tax	32,89,337		(3,34,782)	
	1,15,08,93,100		92,61,06,860	
Less :Final Dividend on equity share (amount per share Rs.0.50 (31st March, 2018 and 31st March,2019)	74,65,666		74,65,666	
Less : Tax on Equity Dividend	15,34,590		15,34,590	
		1,14,18,92,844	-	91,71,06,604
		2,13,46,89,861		1,90,99,03,621

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

15. BORROWINGS :

Particulars	(Amount in ₹)			
	As at 31st March, 2020	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2019
	Current maturities	Non-Current Portion	Current maturities	Non-Current Portion
(a) Term Loan (refer note 1 below)				
From Banks				
I. Bank of Baroda (refer note 1 below)				
(a) Corporate loan A/c no 01500600020796	2,25,00,000	1,49,48,974	3,00,00,000	2,98,23,734
(b) Term loan A/c no 01500600020907	31,25,000	78,70,380	62,50,000	1,10,07,986
(c) Term loan A/c no 01500600021047	46,87,500	1,39,95,706	62,50,000	1,86,37,866
(d) Term loan A/c no 01500600021195	1,16,66,666	9,91,66,667	2,33,32,000	11,08,34,667
(e) Corporate loan A/c no 01500600021248	1,00,00,000	8,99,79,714	2,00,00,000	9,99,64,000
(f) Term loan A/c no 01500600021225	28,12,500	1,49,39,623	28,12,500	1,77,35,442
(g) Term loan A/c no 01500600021317	-	26,74,00,000	-	25,03,92,905
(h) Term loan External Commercial Borrowing (USD 15000000) [LRN 201809163]	-	1,13,34,75,000	-	38,03,52,500
II. ECA Loan from foreign bank (refer note 2 below)				
(a) Bayerische Landesbank and LBBW ECA [LRN.201809103]*	-	98,23,91,665	-	21,04,32,920
III. Yes Bank (refer note 3 below)				
(a) Business loan A/c no 021588900000352	58,33,338	7,49,65,379	1,00,00,008	8,15,89,516
(b) Business loan A/c no 021588900000480	2,33,128	28,87,682	25,67,476	-
(b) Unsecured Loans from related parties				
From Directors, Promoters and their related parties	6,85,000	60,38,94,313	16,57,000	54,74,77,753
(c) From Others				
Vehicle Loans (refer note 4 below)	47,64,706	1,20,29,960	50,34,306	57,47,117
Loan from LIC (refer note 5 below)	-	22,72,500	-	35,16,250
Loan from Financial Institution (refer note 6 below)	1,08,24,160	1,39,60,642	-	-
Loan from Karnataka VAT-I (refer note 7 below)	-	20,92,782	-	18,65,225
Loan from Karnataka VAT-II (refer note 7 below)	-	91,11,475	-	81,20,744
Loan from Karnataka VAT-III (refer note 7 below)	-	44,77,300	-	39,90,463
Loan from Karnataka VAT-IV (refer note 7 below)	-	36,88,610	-	36,88,610
Loan from Karnataka VAT-V (refer note 7 below)	-	65,28,677	-	-
Inter corporate loans	36,00,000	35,30,422	-	-
(d) Deferred Revenue (KVAT LOAN) (refer note 7 below)				
	-	2,48,58,926	-	1,67,67,778
Total	8,07,31,998	3,38,84,66,397	10,79,03,290	1,80,19,45,476

*On the basis of the initial response received by the company, the company is confident that the lenders of these loans will also defer the repayment period as requested by the company in line with the other term loans lender, Bank of Baroda. Hence, on this assumption the term loan instalment falling due as of 15.12.2020, as per the original repayment schedule, has not been regarded as current maturity of long term debt but the same has been continued to be shown as a part of long term debt only.

Notes to the Standalone Financial Statements (Contd.)
RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

15. BORROWINGS : (CONTD.)

Note:1

Term loan from Bank of Baroda

Secured by way of

- (a) Hypothecation of entire current assets of the company present and future,
- (b) Equitable mortgage of
 - (i) Land, building and Plant & Machinery belonging to the company both present and future to be constructed,
 - (ii) office premises situated at flat no 1 & 2 krinkal apartment, paldi, ahmedabad belonging to the company
 - (iii) residential bungalow situated 4, pushpa dhanwa owners association, vastrapur, ahmedabad belonging to Shri Ghanshyambhai Thakkar
 - (iv) plot situated at lati bazar, ahmedabad in the name of Shri Ghanshyambhai Thakkar
- (c) 2nd Charge over machinery 800 CBM Capacity MDF board unit proposed to be purchased from Siempelkamp - Germany and other related equipments/machineries to be financed by Byren LB and LBBW under supplier credit arrangement.
- (d) Pledge of fixed deposit of ₹ 0.93 crores
- (e) secured by way of personal guarantee of Shri Ghanshyambhai Thakkar and Shri Krupeshbhai Thakkar.

Term of Repayment

Particulars	Repayment Schedule		
Corporate loan A/C NO. 01500600020796	Corporate loan is to be repaid in 24 quarterly installments after completion of moratorium period of 18 months from the date of first disbursement as under. The interest is to be served on monthly basis.		
	Year	No. of installments (₹ in Lakhs)	Total (₹ in Lakhs)
	2015-16	37.50x2	75.00
	2016-17	50.00x4	200.00
	2017-18	62.50x4	250.00
	2018-19	75.00x4	300.00
	2019-20	75.00x4	300.00
	2020-21	75.00x3	225.00
	2021-22	75.00x2	150.00
Corporate loan A/C NO. 01500600020907	Corporate loan is to be repaid in 24 quarterly installments after completion of moratorium period of 12 months from the date of first disbursement as under. The interest is to be served on monthly basis.		
	Year	No. of installments (₹ in Lakhs)	Total (₹ in Lakhs)
	2015-16	15.625x1	15.63
	2016-17	15.625x4	62.50
	2017-18	15.625x4	62.50
	2018-19	15.625x4	62.50
	2019-20	15.625x4	62.50
	2020-21	15.625x2	31.25
	2021-22	15.625x4	62.50
	2022-23	15.625x1	15.63
		TOTAL	375.00

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

15. BORROWINGS : (CONTD.)

Term of Repayment

Particulars	Repayment Schedule		
Corporate loan A/C NO. 01500600021047	Corporate loan is to be repaid in 24 quarterly installments after completion of moratorium period of 12 months from the date of first disbursement as under. The interest is to be served on monthly basis.		
	Year	No. of installments (₹ in Lakhs)	Total (₹ in Lakhs)
	2017-18	15.625x4	62.50
	2018-19	15.625x4	62.50
	2019-20	15.625x4	62.50
	2020-21	15.625x3	46.88
	2021-22	15.625x4	62.50
	2022-23	15.625x4	62.50
	2023-24	15.625x1	15.63
Term loan A/C NO. 01500600021195	Term loan is to be repaid in 24 quarterly installments commencing after a moratorium period of 9 months from the date of commencement of commercial production in Equal amount as under. The interest is to be served on monthly basis.		
	Year	No. of installments (₹ in Lakhs)	Total (₹ in Lakhs)
	2018-19	58.333x1	58.33
	2019-20	58.333x4	233.33
	2020-21	58.333x2	116.67
	2021-22	58.333x4	233.33
	2022-23	58.333x4	233.33
	2023-24	58.333x4	233.33
	2024-25	58.333x4	233.33
	2024-25	58.333x1	58.33
Corporate loan A/C NO. 01500600021248	Corporate loan is to be repaid in 24 quarterly installments after completion of moratorium period of 12 months from the date disbursement as under. The interest is to be served on monthly basis.		
	Year	No. of installments (₹ in Lakhs)	Total (₹ in Lakhs)
	2019-20	50.00x4	200.00
	2020-21	50.00x2	100.00
	2021-22	50.00x4	200.00
	2022-23	50.00x4	200.00
	2023-24	50.00x4	200.00
	2024-25	50.00x4	200.00
	2025-26	50.00x2	100.00
Term loan A/C NO. 01500600021225	Term loan is to be repaid in 24 quarterly installments commencing after a moratorium period of 12 months from the date of first disbursement in Equal amount as under. The interest is to be served on monthly basis.		
	Year	No. of installments (₹ in Lakhs)	Total (₹ in Lakhs)
	2018-19	9.375x2	18.75
	2019-20	9.375x3	28.13
	2020-21	9.375x3	28.13
	2021-22	9.375x4	37.50
	2022-23	9.375x4	37.50
	2023-24	9.375x4	37.50
	2024-25	9.375x4	37.50
Term loan A/C NO. 01500600021317 (Rupee Term Loan for Andhra Pradesh Project)	24 quarterly installments of ₹ 1.114 Crore +Interest commencing after 12 months from COD. Interest to be serviced as and when applied. The revised approved COD is April 2021 therefore the repayment will commence from April, 2022.		

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

ECB TERM LOAN (USD 15000000) (From BOB London for Andhra Pradesh Project)	24 quarterly installments (24 installments of USD 625000 plus interest) commencing after 4 quarters form COD. The revised approved COD is April 2021 therefore the repayment will commence from April 2022.
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Note:2

[Loan from Foreign Bank](#)

Bayerische Landesbank and LBBW ECA [LRN.201809103], Germany	17 half yearly installments (16 installments of EURO 784161.76 and 1 installment of EURO 784161.84) starting from 15th December 2020. The company has already approached the said lenders with a request for deferment of the instalments so that the earliest day of starting of the first instalment is deferred to 15.12.2021, in view of the delay in commissioning of the Andhra Pradesh Project since there is a material reason for delay and since the Indian lenders of Rupee term loans for the Andhra Pradesh Project have already conveyed their approval. The revised approved COD is April 2021 therefore the repayment will commence from April 2022.
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Secured by way of hypothecation of machinery, equipment for a Medium Density Fiberboard (MDF) manufacturing plant to be provided by Siemplekamp Maschinen and Anlagenbau GmbH at plant situated of Rushil Decor Limited - Atchutapuram, Vishakhapatnam, Andhra Pradesh, India

Note:3

[Business loan from Yes Bank](#)

Secured by way of Equitable Mortgage of a) residential bungalow situated 18,19, Pushpa dhanwa Bungalows, vastrapur, ahmedabad belonging to Shri Kurpeshbhai G. Thakkar b) Rushil Corporate House, Nr GIHED House, off Sindhu Bhawan Road, Nr. S.P.Ring Road, Ahmedabad-380058 belonging to Shri Kurpeshbhai G. Thakkar and also further secured by way of personal gurantee of Shri Krupesh Thakkar

[Term of Repayment](#)

Particulars	Repayment Schedule
Business loan A/c no 021588900000352	Payable in 120 monthly installments of ₹ 833334/- commencing from November-2018
Business loan A/c no 021588900000480	Payable in 120 monthly installments of ₹ 283333/- commencing from November-2018

Note :4 Secured by hypothecation on vehicle purchased under hire purchase agreements. Repayment schedule is as under.

Name of Bank	Monthly installments including interest (In ₹)	Period	Commencing Date
AXIS BANK LTD LOAN NO. AUR000302498262	36,880	10.7.2017 TO 10.6.2020	10.7.2017
AXIS BANK LTD LOAN NO. CER000305013436	1,21,901	1.3.2020 TO 1.2.2023	1.3.2020
AXIS BANK LTD LOAN NO. CER000305013861	1,21,901	1.3.2020 TO 1.2.2023	1.3.2020
AXIS BANK LTD LOAN NO. AUR000304000399	25,013	1.5.2019 TO 1.5.2022	1.5.2019
ICICI BANK LTD A/C NO LAABD00037234986	31,141	5.5.2018 TO 5.10.2020	5.5.2018
ICICI BANK LTD A/C NO LAABD00037235586	13,823	5.5.2018 TO 5.10.2020	5.5.2018

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

Name of Bank	Monthly installments including interest (In ₹)	Period	Commencing Date
YES BANK LOAN A/C NO CE000700459832	31,265	8.2.2019 TO 8.12.2022	8.2.2019
YES BANK LOAN A/C NO - CEL000700459833	22,235	8.2.2019 TO 8.12.2022	8.2.2019
YES BANK LOAN A/C NO -CEL000700619516	38,050	15.1.2020 TO 15.11.2023	15.1.2020
YES BANK LOAN A/C NO -CEL000700619601	22,300	15.1.2020 TO 15.11.2023	15.1.2020
YES BANK LOAN A/C NO -CEL000700619680	22,300	15.1.2020 TO 15.11.2023	15.1.2020
KOTAK MAHINDRA BANK LTD (LOAN AGREE NO CE-14833009)	1,34,925	1.10.2017 TO 1.9.2022	1.10.2017

Note :5 Secured against pledge of keyman Insurance policies of directors.

Note :6 Unsecured Loan from Financial Institution. Repayment schedule is as under.

Name	Loan Amount	Current maturities	Monthly installments including interest (In ₹)	Period	Commencing Date
ICICI BANK LTD. LOAN A/C NO. UPABD00041569635	47,70,000	13,28,368	1,69,338	5.4.2020 TO 5.9.2022	5.4.2020
IDFC FIRST BANK. LOAN A/C NO 31147307	51,00,000	14,45,904	1,78,045	2.4.2020 TO 2.3.2023	2.4.2020
IIFL LTD. LOAN A/C NO SL2559852	49,67,865	20,96,390	2,46,809	3.5.2020 TO 3.4.2022	3.5.2020
MAGMA FINCORP LIMITED LOAN A/C NO PS/0104/P/18/000015	49,95,479	14,02,167	1,77,022	3.4.2020 TO 3.3.2023	3.4.2020
TATA CAPITAL LTD. LOAN A/C NO TCFBL0272000010825679	49,51,458	45,51,331	4,54,838	5.4.2020 TO 5.4.2021	5.4.2020
	2,47,84,802	1,08,24,160			

Note :7 Loan from Karnataka VAT

Secured by way of Bank guarantee. The loan is repayable in 3 equal annual installment as per details mentioned below:

Due Date	Particulars of repayment of principal amount for VAT -I	Particulars of repayment of principal amount for VAT -II	Particulars of repayment of principal amount for VAT -III	Particulars of repayment of principal amount for VAT -IV	Particulars of repayment of principal amount for VAT-V
1st April 2021	9,80,992	-	-	-	-
1st April 2022	9,80,992	47,92,065	-	-	-
1st April 2023	9,80,991	47,92,065	-	-	-
1st April 2024	-	47,92,065	29,64,394	-	-
1st April 2025	-	-	29,64,394	27,40,156	-
1st April 2026	-	-	29,64,394	27,40,156	54,41,650
1st April 2027	-	-	-	27,40,156	54,41,650
1st April 2028	-	-	-	-	54,41,650
Total *	29,42,975	1,43,76,195	88,93,182	82,20,468	1,63,24,950

* Repayment amount is actual repayment to be made while in books, outstanding basis after doing amortisation

Notes to the Standalone Financial Statements (Contd.)
RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

16.a TRADE PAYABLES

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
- dues to micro and small enterprises		-		-
- dues to other than micro and small enterprises (including trade payable for capital goods ₹ 64,59,711/- preveious year ₹ 42,67,656/-)		1,06,44,336		43,48,634
		1,06,44,336		43,48,634

16.b OTHER FINANCIAL LIABILITIES :

(Amount in ₹)

Particulars	Current maturities	Non-Current Portion	Current maturities	Non-Current Portion
(a) Trade Deposit from Customers	12,26,000	7,60,22,584	73,03,355	3,70,59,453
	12,26,000	7,60,22,584	73,03,355	3,70,59,453

17 LONG TERM PROVISIONS :

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
(a) Provision for Employee Benefit - Gratuity		2,13,19,445		1,37,56,009
		2,13,19,445		1,37,56,009

18 DEFERRED TAX LIABILITIES (NET)

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
Deferred tax liabilities (Net)		23,48,95,026		30,73,53,142
		23,48,95,026		30,73,53,142

19 OTHER NON-CURRENT LIABILITIES :

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
(a) Deferred Revenue (Subsidy)				
At the beginning of the year	1,19,08,776		1,25,44,184	
Add: Added during the year	-		-	
Less: Released to the statement of profit and loss at the end of the year	(6,35,408)		(6,35,408)	
	1,12,73,368		1,19,08,776	
Less : Current (Amount Disclosed under the head Other Current Liabilities refer Note 23)	(6,35,408)		(6,35,408)	
Non-current		1,06,37,960		1,12,73,368
(b) Deferred Revenue (Govt Grant-EPCG)				
At the beginning of the year	6,87,50,000		-	
Add: Added during the year	-		6,87,50,000	
Less: Released to the statement of profit and loss at the end of the year	-	6,87,50,000	-	6,87,50,000
		7,93,87,960		8,00,23,368

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

20 BORROWINGS :

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
Current Borrowings				
(a) Loans repayable on demand				
Working Capital From Banks				
Bank of Baroda - Cash Credit Loans (including Working capital demand loan of ₹ 20 crore P.Y ₹ 20 crore (refer note no.1)		34,52,69,065		29,01,65,534
Bank of Baroda - Packing Credit (refer note no.1)		18,33,62,114		17,37,22,667
Bank of Baroda - Foreign Bills Purchase (refer note no.1)		5,45,28,210		6,59,92,443
		58,31,59,389		52,98,80,644

Note:1

Working Capital facility from Bank of Baroda

Secured by way of

- (a) Hypothecation of entire current assets of the company present and future,
- (b) Equitable mortgage of
 - (i) Land, building and Plant & Machinery belonging to the company both present and future to be constructed,
 - (ii) office premises situated at flat no 1 & 2 krinkal apartment, paldi, ahmedabad belonging to the company
 - (iii) residential bungalow situated 4, pushpa dhanwa owners association, vastrapur, ahmedabad belonging to Shri Ghanshyambhai Thakkar
 - (iv) plot situated at lati bazar, ahmedabad in the name of Shri Ghanshyambhai Thakkar
- (c) 2nd Charge over machinery 800 CBM Capacity MDF board unit proposed to be purchased from Siempelkamp - Germany and other related equipments/machineries to be financed by Byren LB and LBBW under supplier credit arrangement.
- (d) Pledge of fixed deposit of ₹ 0.93 crores
- (e) secured by way of personal guarantee of Shri Ghanshyambhai Thakkar and Shri Krupeshbhai Thakkar.

21 TRADE PAYABLES :

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
Total outstanding dues of micro and small enterprises (including trade payable for capital goods ₹ 3,59,040/- previous year ₹ 69,646) (refer note no.21a)		5,34,38,067		3,84,03,268
Total outstanding dues other than micro and small enterprises (including trade payable for capital goods ₹ 24,12,77,386/- previous year ₹ 9,79,55,940/-)		90,44,14,821		69,96,34,541
		95,78,52,888		73,80,37,809

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

21.a TRADE PAYABLES : Total outstanding dues of Micro & Small Enterprises*

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
a) The Principal amount and Interest due there on remaining unpaid as at year end: Principal		5,34,38,067		3,84,03,268
b) Interest paid by the company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.		-		-
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006		-		-
d) Interest accrued and remain unpaid as at year end		-		-
e) Further Interest remaining due and payable even in the succeeding year until such date when the interest dues as above are actually paid to the small enterprises		-		-

*Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

22 OTHER FINANCIAL LIABILITIES :

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
(a) Current maturities of long-term debt;		8,12,72,998		11,35,49,645
(b) From Directors, Promoters and their related parties		6,85,000		16,57,000
(c) Interest accrued but not due on borrowings;		1,87,22,170		49,52,598
(d) Share Application Money (Refundable) (Refer Note No. 51)		250		250
(e) Unclaimed Equity Dividend		1,80,346		88,301
		10,08,60,764		12,02,47,794

23 OTHER CURRENT LIABILITIES :

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
Advance from customers		2,67,23,991		1,28,39,851
Duties and taxes		47,81,184		1,06,77,873
Deferred Revenue (Subsidy)		6,35,408		6,35,408
		3,21,40,583		2,41,53,132

Notes Forming Integral Part of the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

24 PROVISIONS

(Amount in ₹)

	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
Provision for employee benefits		93,99,512		79,61,638
Provision for Gratuity		57,07,576		43,01,638
Provision for expenses		3,64,34,085		5,13,04,143
		5,15,41,173		6,35,67,419

25 CURRENT TAX LIABILITIES (NET):

(Amount in ₹)

	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
Provision of Income tax (Net of Advance Tax & TDS)				
For 2018 - 2019	-		25,11,736	
For 2019 - 2020	3,77,40,999	3,77,40,999	-	25,11,736
		3,77,40,999		25,11,736

26 I. REVENUE FROM OPERATIONS

(Amount in ₹)

	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
A. Sale of Products				
Direct Export Turnover		1,03,25,14,361		1,05,84,04,411
Domestic Turnover		2,23,91,66,040		2,27,84,43,034
Gross Turnover		3,27,16,80,401		3,33,68,47,445
B. Other Revenue from operations		8,43,00,011		10,05,73,479
Total Revenue from operations		3,35,59,80,412		3,43,74,20,924

Other operating revenue as under	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
- Licence due income		8,43,00,011		10,05,73,479
Total		8,43,00,011		10,05,73,479

27 OTHER INCOME :

(Amount in ₹)

	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
Foreign Exchange Gain		1,26,41,909		5,05,28,983
Interest Income (TDS ₹ 11,59,001/-and P.Y. ₹ 28,46,483/-)		81,64,208		2,78,43,519
Keyman policy maturity amount		52,51,200		-
Claim for loss of stock (Refer Note no. 46)		79,69,114		58,94,389
Profit on Sale of Fixed Assets		5,52,879		-
Sundry Balances Written off		1,43,596		-
Deferred Revenue Amortised (IND AS-20) (Refer note No. 19)		6,35,408		6,35,408
		3,53,58,314		8,49,02,299

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

28 COST OF MATERIALS CONSUMED:

(Amount in ₹)

	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
Raw Material Consumed:				
Opening Stock of Raw Material	31,61,37,800		30,65,19,929	
Less :Transfer to purchase of stock in trade	51,91,417		-	
Net Opening Stock of Raw Material	31,09,46,383		30,65,19,929	
Add : Purchases (Net of Excise, Discount Rate Diff. & Material for Resale ₹ 83,44,635/- previous year ₹ 6,11,113/-)	1,61,10,57,747		1,85,82,97,635	
Add : Freight, Octroi, and Clearing & Forwarding	3,75,97,998		2,71,70,496	
Add : C.V.D., Other Duty & Licence Use	4,23,93,964		5,78,57,495	
	2,00,19,96,092		2,24,98,45,555	
Less : Closing Stock of Raw Material*	27,10,52,495		31,61,37,800	
*Excluding goods destroyed by fire of C.Y. Nil and P.Y. ₹ 4658735/-)				
*Including stock of Purchase for Trading goods ₹ 24,86,227/-				
		1,73,09,43,597		1,93,37,07,755

29 PURCHASE OF STOCK-IN-TRADE

(Amount in ₹)

	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
Melamine		15,55,000		5,60,000
Methanol		26,40,154		-
Base Paper		-		2,132
Caprolactem		-		16,061
PTS Amide		-		8,947
PVC sheets		41,49,481		-
PVC Foil and PVC Film		51,91,417		-
Kraft Paper		-		23,973
Total		1,35,36,052		6,11,113

30 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
Opening Stock				
Finished Goods	38,82,54,177		38,65,95,705	
Stock-in-Progress	7,15,80,366		5,64,23,632	
	45,98,34,543		44,30,19,337	
Less : Closing Stock *				
Finished Goods	40,62,73,953		38,82,54,177	
Stock-in-Progress	5,10,01,333		7,15,80,366	
* Excluding goods damaged by flood ₹ 7969114/- (Finished Goods) P. Y. Excluding goods destroyed by fire of ₹ 2074530/-				
* Including stock of Trading goods ₹ 34,30,272/- (Finished Goods)				
	45,72,75,286		45,98,34,543	
Increase/(Decrease) in Stock of Finished Goods & Stock-in-Progress		25,59,257		(1,68,15,206)

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

30 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS (CONTD.)

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
Details of Finished Goods				
- Decorative laminate sheet		26,31,02,329		24,15,79,354
- Particle Board		-		-
- Medium Density Fiber Board		11,01,92,071		11,42,29,422
- Polyvinayl Chloride Board		3,29,79,553		3,24,45,401
Total		40,62,73,953		38,82,54,177

31 EMPLOYEE BENEFITS EXPENSES

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
Salary & Bonus		28,49,35,392		24,89,77,246
Contribution to Provident Fund etc.		82,20,064		72,45,924
		29,31,55,456		25,62,23,170

32 FINANCE COSTS

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
Interest on Cash Credit		4,31,76,255		4,17,46,796
Interest on Term Loan		3,68,55,948		4,52,73,852
Interest to Unsecured loan		59,55,870		2,35,55,425
Interest to Financial Institution		1,32,12,142		20,44,546
Other Financial Charges		2,12,42,908		2,32,83,532
Exchange difference regarded as an adjustment to borrowing cost	12,74,52,681		-	
Less: Finance cost capitalised	12,74,52,681	-	-	-
Foreign Exchange Fluctuation		-		-
		12,04,43,123		13,59,04,151

Notes to the Standalone Financial Statements (Contd.)
RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

33 OTHER EXPENSES

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
Stores & Spares Consumed :				
Opening Stock	10,24,71,708		8,16,17,721	
Add : Purchases	8,96,48,948		7,66,19,884	
	19,21,20,656		15,82,37,605	
Less: Closing Stock	12,63,33,926	6,57,86,730	10,24,71,708	5,57,65,897
Commission on Imports		13,93,210		13,90,457
Central Excise Duty Expenses		86,522		1,22,081
Jobwork Charges		5,94,26,384		2,63,14,077
Power & Fuel Consumed :				
Opening Stock	11,91,184		12,06,163	
Add : Purchases	28,05,24,657		26,83,59,540	
	28,17,15,841		26,95,65,703	
Less: Closing Stock	11,83,845	28,05,31,996	11,91,184	26,83,74,519
Repairs & Maintenance :				
Machinery	60,23,300		1,89,96,416	
Building	10,37,720		22,22,719	
Others	2,94,597	73,55,617	4,71,225	2,16,90,360
Wages		10,56,95,155		10,38,37,730
Transport Charges		35,09,178		23,44,947
Factory Expenses		1,50,66,146		1,69,66,485
Advertisement Expenses		2,40,05,914		35,38,534
Audit Fees*		5,00,000		5,00,000
Sales Commission		4,24,17,895		4,46,29,760
Computer Maintenance Expenses		21,42,403		23,98,695
Corporate Social Responsibility contribution		63,08,735		64,96,931
Donation		1,56,500		4,80,266
General/ Miscellaneous Expenses		87,41,423		1,01,24,683
Insurance Expenses		77,64,366		58,06,571
Legal & Professional Charges		1,77,03,812		1,34,15,795
Goods destroyed by fire		20,82,264		-
Postage and Telephone Expenses		51,47,696		45,67,951
Printing and Stationary Expenses		15,71,365		21,29,707
Rent,Rate and Taxes		1,29,50,823		1,24,54,288
Selling Expenses		23,70,53,649		25,57,35,957
Sundry Balances Written off		-		14,46,539
Travelling, Conveyance and Vehicle Expenses		3,92,47,402		3,66,74,906
		94,66,45,185		89,72,07,136
*Audit Fees				
As auditors - Statutory audit		3,50,000		3,50,000
Tax audit		1,50,000		1,50,000
Taxation Matters		-		-
Company Law Matters		-		-
Certification fees & other services		-		-
Reimbursement of expenses		-		-
		5,00,000		5,00,000

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

34 TAX EXPENSE :

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
(1) Current Tax (Including Short/Excess provision of earlier years)		4,02,29,659		6,58,67,735
(2) Deferred Tax		(7,35,64,408)		1,99,76,577
		(3,33,34,749)		8,58,44,312

(Amount in ₹)

Particulars	Amount	As at 31st March, 2020	Amount	As at 31st March, 2019
Reconciliation of the Income Tax Expense (Current Tax + Deferred Tax) amount considering the enacted Income Tax Rate and effective Income Tax Rate of the Company as follows.				
Enacted Income Tax Rate in India applicable to the Company	25.168 %		34.944%	
Accounting Profit Before Tax	19,71,62,410		22,91,93,946	
Current Tax expenses on Profit before tax expenses at the enacted income tax rate in India	4,96,21,836		8,00,89,532	
Non deductible expenses for Tax Purpose	3,06,52,151		3,46,89,979	
Deductible Expenses for Tax purposes	(2,63,73,987)		(4,91,79,511)	
MAT Credit Entitlement	-		-	
Excess Provision of earliar years written back	(1,36,70,341)		2,67,735	
A : Current tax as reported in the Statement of Profit and Loss		4,02,29,659		6,58,67,735
Reconciliation of Deferred Tax Liability				
Timing Difference of Depreciation (Deferred tax liability)	(6,98,63,095)		2,13,12,158	
Gratuity Payment (Deferred Tax Liability)	(15,98,389)		(13,35,581)	
Capital gain on land revaluation-Deferred Tax Liability)	(21,02,924)		-	
B : Deferred tax as reported in the Statement of Profit and Loss		(7,35,64,408)		1,99,76,577
C : Total Tax expense as reported in the Statement of Profit and Loss C=A+B		(3,33,34,749)		8,58,44,312

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

35 EARNINGS PER SHARE :

(Amount in ₹)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Basic/Diluted Earnings per Share		
Number of Equity Shares at the beginning of the year	1,49,31,332	1,47,17,460
Number of Equity Shares allotted during the year:		
190372 Shares allotted during the year dated 28th April 2018	-	1,90,372
23500 Shares allotted during the year dated 19th July 2018	-	23,500
Total Number of Equity Shares at the end of the year	1,49,31,332	1,49,31,332
Weighted average number of equity shares	1,49,31,332	1,49,10,232
Profit for the year (after tax, available for equity shareholders) In ₹	23,04,97,159	14,33,49,634
Basic and Diluted Earnings Per Share ₹	15.44	9.61

36 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES:

a. Contingent liabilities :

(1) Claims against the Company not acknowledged as debts:

Particulars

- Disputed Income Tax Demand Matter Under Appeal ₹ Nil, /-(P.Y. ₹ 2,63,222/-)
- Disputed Excise Demand Matter Under Appeal ₹ 85,32,395/- P.Y. ₹ 83,96,065/-)
- Disputed Custom Duty Matter Under Appeal ₹ 27,55,536/- (P.Y. ₹ 27,55,536/-)

Note:

- It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/ authorities.
- The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

(2) Outstanding Letters of Credit ₹ Nil/-(P.Y. ₹ Nil/-)

(3) Outstanding Bank Guarantee ₹ 6,88,01,509/- (P.Y. ₹ 4,11,63,370/-)

(b) Commitments:

(1) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances, ₹ 19,53,41,794/- (previous year ₹ 148,31,91,612/-).

(2) EPCG Commitments

Future export obligations/commitments under import of Capital Goods at Concessional rate of customs duty. As at 31st March, 2020 ₹ 203,36,62,500/- (previous year ₹ 203,36,62,500/-).

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

37 FINANCIAL AND DERIVATIVE INSTRUMENTS

- Capital Management

The company's objective when managing capital is to:

- Safeguard its ability to continue as a going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders.
- Maintain an optimal capital structure to reduce the cost of capital.

The company's Board of director's reviews the capital structure on regular basis. As part of this review the board considers the cost of capital risk associated with each class of capital requirements and maintenance of adequate liquidity.

Disclosures

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

(i) Categories of Financial Instruments

(Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Financial Assets		
Measured at Amortised Cost		
(i) Trade and Other Receivables	63,46,74,952	56,92,40,706
(ii) Cash and Cash Equivalents	65,50,236	65,89,824
(iii) Loans	10,38,369	3,25,84,390
(iv) Other Financial Assets	1,25,000	1,25,000
Financial Liabilities		
Measured at Amortised Cost		
(i) Borrowings	3,97,16,25,786	2,33,18,26,120
(ii) Trade Payables	96,84,97,223	74,23,86,443
(iii) Other Financial Liabilities	17,68,83,349	15,73,07,246

(ii) Fair Value Measurement

This note provides information about how the Company determines fair values of various financial assets. Fair Value of financial assets and liabilities that are not measured at fair value (but fair value disclosures are required). Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

(iii) Financial Risk Management Objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's financial management committee also monitors and manages key financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate, currency risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, etc.

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company has a treasury department which monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the Company.

(a) For hedging currency

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Outstanding Forward Contract	1707.98	1278.44

(b) The year-end foreign currency exposure that have not been hedged by any derivative instruments or otherwise are as under.

Particulars	Amount receivable in Foreign Currency		Amount Payable in Foreign Currency	
	Foreign Currency (in Mn)	Indian Currency (₹ in Lakhs)	Foreign Currency (in Mn)	Indian Currency (₹ in Lakhs)
31-03-2020	-	-	16.40283 USD 13.798134 EURO	23834.48
31-03-2019	0.227024 USD	157.00	6.459413 USD 3.098512 EURO	6875.57

Sensitivity to Risk

A change of 5% in foreign currency would have following Impact on profit before tax

(₹ in Lakhs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	(619.74)	619.74	(215.50)	215.50
EURO	(571.98)	571.98	(120.43)	120.43

Interest Rate Risk

The Company's interest rate risk arises from the Long Term Borrowings with fixed rates. The Company's fixed rates borrowings are carried at amortised cost.

Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due.

Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

(Amount in ₹)

As at 31st March, 2020	Due in 1 Year	1 Year - 3 Years	More than 3 Years	Total
Borrowings	58,31,59,389	65,55,01,378	2,73,29,65,020	3,97,16,25,786
Trade Payables	95,78,52,888	1,06,44,336	--	96,84,97,223
Other Financial Liabilities	10,08,60,764	7,60,22,584	--	17,68,83,349
Total	1,64,18,73,041	74,21,68,297	2,73,29,65,020	5,11,70,06,358
As at 31st March, 2019				
Borrowings	52,98,80,644	56,78,08,975	1,23,41,36,501	2,33,18,26,120
Trade Payables	73,80,37,809	43,48,634	--	74,23,86,443
Other Financial Liabilities	12,02,47,794	3,70,59,453	--	15,73,07,246
Total	1,38,81,66,247	60,92,17,061	1,23,41,36,501	3,23,15,19,809

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivables

An impairment analysis is performed at each reporting date on an individual basis for all the customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 4 and 8, as the Company does not hold collateral as security. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries.

The Company has a detailed review mechanism of overdue customer receivables at various levels within organization to ensure proper attention and focus for realization.

The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

(Amount in ₹)

Particulars	Upto 1 Year	1 Year - 3 Years	More Than 3 Years	Total
As at 31st March, 2020				
Loans to Employees	--	10,38,369	--	10,38,369
Trade Receivables	61,15,94,075	2,30,80,878	--	63,46,74,952
Other Financial Assets	--	--	--	-
Total	61,15,94,075	2,41,19,247	--	63,57,13,321
As at 31st March, 2019				
Loans to Employees	--	9,66,128	--	9,66,128
Trade Receivables	55,20,52,810	1,71,87,896	--	56,92,40,706
Other Financial Assets	3,16,18,262	--	--	3,16,18,262
Total	58,36,71,072	1,81,54,024	--	60,18,25,096

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

38 The Previous year's figures have been regrouped, reworked, rearranged and reclassified wherever necessary to make them comparable with current year figures.

39 Balances of Unsecured Loans, Trade Receivables, Payables and Loans and Advances are subject to Confirmation from respective parties.

40 EXPORT PROMOTION CAPITAL GOODS (EPCG)

Export Promotion Capital Goods (EPCG) scheme allows import of certain capital goods including spares at concessional duty subject to an export obligation for the duty saved on capital goods imported under EPCG scheme. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant.

42 OPERATING SEGMENT :

a) **Decorative Laminated Sheets**

b) **Medium Density Fiber Board**

c) **Polyvinyl Chloride Boards**

Identification of segments:

The chief operational decision maker monitors the operating results of its business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment has been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

Segment assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment, trade receivables, inventories and other operating assets. Segment liabilities primarily include trade payable and other liabilities. Common assets and liabilities which cannot be allocated to any of the business segment are shown as unallocable assets / liabilities.

Inter segment transfer:

Inter segment revenues are recognized at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the group level.

Segment wise Revenue, Results and capital employed

Primary business segments – Revenue by nature of products:

(Amount in ₹)

Details	2019-20	2018-19
Decorative Laminated Sheets	1,53,97,75,022/- (*)	1,71,81,38,732/- (*)
Medium Density Fiber Board	16,56,54,72,92/-	1,55,70,51,650/-
Polyvinyl Chloride Boards	6,68,89,830/- (*)	6,09,76,128/-
Total	3,26,32,12,144/-	3,33,61,66,510/-

(*) Does not include trading Sales of ₹ 8468257/- (Previous year ₹ 680935/-)

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

Revenue by geographical regions

(i) Decorative Laminate Sheets

(Amount in ₹)

Details	2019-20	2018-19
India	51,53,21,183	66,10,72,272
Outside India	1,02,44,53,839	1,05,70,66,460
Total	1,53,97,75,022	1,71,81,38,732

(* Does not include Trading sales of ₹ 4219646/- (Previous year ₹ 680935/-)

(ii) Medium Density Fibre Board

(Amount in ₹)

Details	2019-20	2018-19
India	1,64,84,86,770	1,55,57,13,699
Outside India	80,60,522	13,37,951
Total	1,65,65,47,292	1,55,70,51,650

(* Does not include Trading sales of ₹ Nil/- (Previous year ₹ Nil/-)

(iii) Polyvinyl Chloride Boards

(Amount in ₹)

Details	2019-20	2018-19
India	6,68,89,830	6,09,76,128
Outside India	-	-
Total	6,68,89,830	6,09,76,128

(* Does not include Trading sales of ₹ 4248611/- (Previous year ₹ Nil/-)

Segment wise Revenue (Gross), Results, Assets and Liabilities

(Amount in ₹)

Sr. No.	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
1	Segment Revenue (Gross)		
a	Laminates & allied products	1,63,36,72,286	1,82,93,38,733
b	Particle Board	-	-
c	Medium Density Fiber Board	1,67,06,96,280	1,56,46,47,735
d	Polyvinyl Chloride Boards	7,11,95,628	6,38,14,709
e	Unallocated	-	-
	Total	3,37,55,64,194	3,45,78,01,177
	Less: Inter segment revenue	1,95,83,782	2,03,80,253
	Gross sales from Operations	3,35,59,80,412	3,43,74,20,924
2	Segment Results		
	Profit before Interest and Tax:		
a	Laminates & allied products	16,11,25,175	19,40,09,717
b	Particle Board	-	-5,23,907
c	Medium Density Fiber Board	18,30,11,077	16,33,34,329
d	Polyvinyl Chloride Boards	-1,07,34,706	-1,10,69,003
e	Unallocated	-	3,41,49,176
	Total	33,34,01,546	37,99,00,312
	Less:		
i	Interest	12,04,43,123	13,59,04,151
ii	Other Unallocable expenditure	1,57,96,013	1,48,02,215

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

Sr. No.	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
	Add:		
	i Unallocable income	-	-
	Total Profit Before Tax and Other Comprehensive Income	19,71,62,410	22,91,93,946
3a	Segment Assets		
	a Laminates	1,68,54,46,020	1,67,49,82,222
	b Particle Board	7,33,97,225	7,33,97,225
	c Medium Density Fiber Board	1,94,34,31,450	1,58,90,24,006
	d Polyvinyl Chloride Boards	25,25,26,270	26,81,47,967
	e Unallocated	3,90,32,33,760	2,17,65,50,137
	Total Segment Assets	7,85,80,34,725	5,78,21,01,557
3b	Segment Liabilities		
	a Laminates	70,69,23,260	64,42,47,625
	b Particle Board	1,31,09,196	1,34,28,107
	c Medium Density Fiber Board	43,93,46,594	42,00,01,943
	d Polyvinyl Chloride Boards`	2,98,11,227	3,78,40,496
	e Unallocated	33,12,57,483	16,76,36,915
	Total Segment Liabilities	1,52,04,47,760	1,28,31,55,086

42 RELATED PARTY DISCLOSURE AS PER IND AS 24:

(a) Names of related parties, and description of relationship, with whom transaction have taken place during the year:

Sr. No.	Nature of Relationship	Name of Related Parties
1	Enterprises over which Key Managerial person is able to exercise significant influence	Rushil International – Partnership Firm Surya Panel Private Limited Vir Studdio Private Limited (OPC) Ratnatej Infrastructure Private Limited Ghanshyam Forwarder Private Limited
2	Key Managerial Person	Mr. Ghanshyam A. Thakkar - Whole Time Director Mr. Krupesh G. Thakkar - Managing Director Mr. Ramnik T. Kansagara – Executive Director Mr. Shankar Prasad Bhagat – Non-Executive Director Mr. Rohit B. Thakkar – Non-Executive Director Mrs. Jingle Piyush Thakkar - Non-Executive Director Miss Archee D. Thakkar - Non-Executive Director Mr. Keyur M. Gajjar - Chief Executive Officer Mr. Vipul S. Vora – Chief Financial Officer Mr. Hasmukh K. Modi – Company Secretary
3	Relative of Key Managerial Person	Ghanshyambhai A. Thakkar HUF Krupeshbhai G. Thakkar HUF Ambalal D. Thakkar HUF Krupaben K. Thakkar Dinuben G. Thakkar Rushil K. Thakkar Masumi K. Thakkar Rushvi R. Thakkar Harsh R. Patel Mrunal K. Gajjar Viresh N. Thakkar

Note:- Related parties have been identified by the management.

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

Related Party Transactions for the Year Ended on 31st March, 2020

(Amount in ₹)

Nature of Transaction	Enterprises over which Key Managerial Person is able to exercise significant influence		Key Managerial Personnel		Relatives of Key Managerial Personnel & Director		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Financial Year -->	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
(A) Volume of Transactions								
1) Sales of Goods								
Surya Panel Private Limited	3,49,96,230	4,54,99,557	-	-	-	-	3,49,96,230	4,54,99,557
2) Jobwork Charges Paid								
Surya Panel Private Limited	5,56,13,791	1,94,90,456	-	-	-	-	5,56,13,791	1,94,90,456
3) Goods Purchased								
Rushil International	18,59,197	1,38,86,135	-	-	-	-	18,59,197	1,38,86,135
Surya Panel Private Limited	39,08,091	52,29,087	-	-	-	-	39,08,091	52,29,087
4) Director Sitting Fees								
Rohit B Thakkar	-	-	20,000	-	-	-	20,000	-
Shankar Prasad Bhagat	-	-	20,000	-	-	-	20,000	-
Jingle Piyush Thakkar	-	-	15,000	-	-	-	15,000	-
Archee D. Thakkar	-	-	5,000	-	-	-	5,000	-
5) Finance Charges								
Rushil International	-	21,47,600	-	-	-	-	-	21,47,600
6) Loan Taken/Granted								
(A) Loan Taken								
i) Ghanshyambhai Thakkar-HUF								
Loan taken	-	-	-	-	-	58,31,749	-	58,31,749
Loan repaid	-	-	-	-	25,909	60,30,334	25,909	60,30,334
Balance at 31stMarch	-	-	-	-	-	25,909	-	25,909
Balance at 1st April	-	-	-	-	25,909	2,24,494	25,909	2,24,494
ii) Ambalal D. Thakkar-HUF								
Loan taken	-	-	-	-	6,143	1,57,647	6,143	1,57,647
Loan repaid	-	-	-	-	-	2,00,000	-	2,00,000
Balance at 31stMarch	-	-	-	-	68,017	61,874	68,017	61,874
Balance at 1st April	-	-	-	-	61,874	1,04,227	61,874	1,04,227
iii) Krupeshbhai G. Thakkar-HUF								
Loan taken	-	-	-	-	7,85,820	18,24,376	7,85,820	18,24,376
Loan repaid	-	-	-	-	-	21,10,000	-	21,10,000
Balance at 31stMarch	-	-	-	-	8,56,776	70,956	8,56,776	70,956
Balance at 1st April	-	-	-	-	70,956	3,56,580	70,956	3,56,580
iv) Dinuben G. Thakkar								
Loan taken	-	-	-	-	1,33,210	3,60,150	1,33,210	3,60,150
Loan repaid	-	-	-	-	40,865	4,04,961	40,865	4,04,961
Balance at 31stMarch	-	-	-	-	1,46,729	54,384	1,46,729	54,384
Balance at 1st April	-	-	-	-	54,384	99,195	54,384	99,195

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

(Amount in ₹)

Nature of Transaction	Enterprises over which Key Managerial Person is able to exercise significant influence		Key Managerial Personnel		Relatives of Key Managerial Personnel & Director		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
v) Krupaben K. Thakkar								
Loan taken	-	-	-	-	78,25,635	3,78,523	78,25,635	3,78,523
Loan repaid	-	-	-	-	50,05,471	12,11,000	50,05,471	12,11,000
Balance at 31stMarch	-	-	-	-	29,40,471	1,20,307	29,40,471	1,20,307
Balance at 1st April	-	-	-	-	1,20,307	9,52,784	1,20,307	9,52,784
vi) Rushil K. Thakkar								
Loan taken	-	-	-	-	8,93,579	4,20,241	8,93,579	4,20,241
Loan repaid	-	-	-	-	1,59,561	5,32,262	1,59,561	5,32,262
Balance at 31stMarch	-	-	-	-	8,23,447	89,429	8,23,447	89,429
Balance at 1st April	-	-	-	-	89,429	2,01,450	89,429	2,01,450
vii) Mr. Krupesh G. Thakkar								
Loan taken	-	-	5,44,51,925	1,64,92,568	-	-	5,44,51,925	1,64,92,568
Loan repaid	-	-	1,43,74,865	88,18,194	-	-	1,43,74,865	88,18,194
Balance at 31stMarch	-	-	4,94,25,839	93,48,779	-	-	4,94,25,839	93,48,779
Balance at 1st April	-	-	93,48,779	16,74,405	-	-	93,48,779	16,74,405
viii) Mr. Ghanshyam A. Thakkar								
Loan taken	-	-	1,71,36,848	45,10,999	-	-	1,71,36,848	45,10,999
Loan repaid	-	-	34,37,471	55,62,034	-	-	34,37,471	55,62,034
Balance at 31stMarch	-	-	1,52,57,492	15,58,115	-	-	1,52,57,492	15,58,115
Balance at 1st April	-	-	15,58,115	26,09,150	-	-	15,58,115	26,09,150
ix) Mr. Kaushik J Thakkar								
Loan taken	-	-	-	13,00,000	-	-	-	13,00,000
Loan repaid	-	-	-	-	-	-	-	-
Balance at 31stMarch	-	-	16,00,000	16,00,000	-	-	16,00,000	16,00,000
Balance at 1st April	-	-	16,00,000	3,00,000	-	-	16,00,000	3,00,000
x) Masumi K. Thakkar								
Loan taken	-	-	-	-	-	1,85,215	-	1,85,215
Loan repaid	-	-	-	-	-	47,37,617	-	47,37,617
Balance at 31stMarch	-	-	-	-	-	-	-	-
Balance at 1st April	-	-	-	-	-	45,52,402	-	45,52,402
xi) Viresh Natvarlal Thakkar								
Loan taken	-	-	-	-	-	-	-	-
Loan repaid	-	-	-	-	-	-	-	-
Balance at 31stMarch	-	-	-	-	2,05,000	2,05,000	2,05,000	2,05,000
Balance at 1st April	-	-	-	-	2,05,000	2,05,000	2,05,000	2,05,000
xii) Rushil International								
Loan taken	7,47,94,337	94,45,20,795	-	-	-	-	7,47,94,337	94,45,20,795
Loan repaid	7,47,94,337	40,85,20,795	-	-	-	-	7,47,94,337	40,85,20,795
Balance at 31stMarch	53,60,00,000	53,60,00,000	-	-	-	-	53,60,00,000	53,60,00,000
Balance at 1st April	53,60,00,000	-	-	-	-	-	53,60,00,000	-

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

(Amount in ₹)

Nature of Transaction	Enterprises over which Key Managerial Person is able to exercise significant influence		Key Managerial Personnel		Relatives of Key Managerial Personnel & Director		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
xiii) Rushvi R. Thakkar								
Loan taken	-	-	-	-	8,49,649	-	8,49,649	-
Loan repaid	-	-	-	-	1,50,000	-	1,50,000	-
Balance at 31st March	-	-	-	-	6,99,649	-	6,99,649	-
Balance at 1st April	-	-	-	-	-	-	-	-
7) Managerial Remuneration								
Mr. Ghanshyam A. Thakkar	-	-	1,20,00,295	1,19,99,403	-	-	1,20,00,295	1,19,99,403
Mr. Krupesh G. Thakkar	-	-	1,20,00,698	1,19,99,806	-	-	1,20,00,698	1,19,99,806
Mr. Kaushik J. Thakkar (Resigned dated 2nd February 2019)	-	-	-	3,75,653	-	-	-	3,75,653
Mr. Ramnik T. Kansagara	-	-	23,06,395	20,15,693	-	-	23,06,395	20,15,693
8) Dividend Paid								
Mr. Ghanshyam A. Thakkar	-	-	9,95,450	9,95,450	-	-	9,95,450	9,95,450
Ghanshyambhai Thakkar HUF	-	-	-	-	-	1,92,691	-	1,92,691
Mr. Krupesh G. Thakkar	-	-	9,67,181	7,71,242	-	-	9,67,181	7,71,242
Krupeshbhai Thakkar HUF	-	-	-	-	6,94,847	6,94,847	6,94,847	6,94,847
Dinuben G. Thakkar	-	-	-	-	1,23,258	1,23,258	1,23,258	1,23,258
Krupaben K. Thakkar	-	-	-	-	1,41,208	1,41,208	1,41,208	1,41,208
Rushil K. Thakkar	-	-	-	-	1,04,262	1,04,262	1,04,262	1,04,262
Rushil International	9,22,885	9,22,885	-	-	-	-	9,22,885	9,22,885
Mrunal K. Gajjar	-	-	-	-	2,000.0	2,000.0	2,000	2,000
Hasmukh K. Modi	-	-	0.5	0.5	-	-	0.5	0.5
Rushvi R. Thakkar	-	-	-	-	-	0.5	-	0.5
9) Interest Expenses								
Ghanshyambhai Thakkar HUF	-	-	-	-	-	28,788	-	28,788
Mr. Krupesh G. Thakkar	-	-	11,33,127	80,717	-	-	11,33,127	80,717
Krupeshbhai Thakkar HUF	-	-	-	-	51,081	32,810	51,081	32,810
Dinuben G. Thakkar	-	-	-	-	9,708	13,213	9,708	13,213
Ambalal D. Thakkar-HUF	-	-	-	-	6,825	8,496	6,825	8,496
Krupaben K. Thakkar	-	-	-	-	52,899	63,684	52,899	63,684
Rushil K. Thakkar	-	-	-	-	37,403	17,755	37,403	17,755
Mr. Ghanshyam A. Thakkar	-	-	7,43,567	45,364	-	-	7,43,567	45,364
Masumi K. Thakkar	-	-	-	-	-	2,05,794	-	2,05,794
Rushil International	1,51,94,968	2,46,89,773	-	-	-	-	1,51,94,968	2,46,89,773
10) Salary to Relatives of Key Management Personal & Director								
Krupaben K. Thakkar	-	-	-	-	57,72,628	53,69,512	57,72,628	53,69,512
Rushil K. Thakkar	-	-	-	-	24,86,212	15,63,096	24,86,212	15,63,096
Rushvi R. Thakkar	-	-	-	-	14,12,855	9,25,725	14,12,855	9,25,725
Harsh R. Patel	-	-	-	-	5,08,867	4,68,274	5,08,867	4,68,274
Masumi K. Thakkar	-	-	-	-	43,487	-	43,487	-

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

(Amount in ₹)

Nature of Transaction	Enterprises over which Key Managerial Person is able to exercise significant influence		Key Managerial Personnel		Relatives of Key Managerial Personnel & Director		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
11) Salary to Key Management Personal								
Mr. Keyur M. Gajjar	-	-	65,88,048	57,59,099	-	-	65,88,048	57,59,099
Mr. Vipul S. Vora	-	-	44,63,960	39,65,758	-	-	44,63,960	39,65,758
Mr. Hashmukh K. Modi	-	-	20,48,419	17,89,799	-	-	20,48,419	17,89,799
12) Lease Rent Expense								
Ratnatej Infrastructure Private Limited	1,20,000	1,20,000	-	-	-	-	1,20,000	1,20,000
Mr. Krupesh G. Thakkar	-	-	66,15,000	63,78,750	-	-	66,15,000	63,78,750
Rushil K. Thakkar	-	-	3,60,000	-	-	-	3,60,000	-
13) Lease Rent Deposit								
Ratnatej Infrastructure Private Limited	-	70,00,000	-	-	-	-	-	70,00,000
14) Lease Rent Deposit Received Back								
Ratnatej Infrastructure Private Limited	39,68,688	-	-	-	-	-	39,68,688	-
15) Interest Income on Lease Rent Deposit								
Ratnatej Infrastructure Private Limited	7,58,149	3,20,658	-	-	-	-	7,58,149	3,20,658
16) Royalty paid								
Vir Studdio Private Limited (OPC)	1,00,000	1,00,000	-	-	-	-	1,00,000	1,00,000
17) Sale of Fixed Asset								
Surya Panel Private Limited	4,20,985	-	-	-	-	-	4,20,985	-
(B) Outstandings								
a) Payable (Trade Payables and Other Liabilities)								
Rushil International	-	1,38,86,135	-	-	-	-	-	1,38,86,135
Krupaben K. Thakkar	-	-	-	-	2,50,799	3,85,562	2,50,799	3,85,562
Rushil K Thakkar	-	-	-	-	1,21,134	1,26,692	1,21,134	1,26,692
Rushvi R Thakkar	-	-	-	-	82,976	83,411	82,976	83,411
Harsh R Patel	-	-	-	-	20,147	36,363	20,147	36,363
Mr. Keyur M. Gajjar	-	-	3,23,423	4,39,650	-	-	3,23,423	4,39,650
Mr. Vipul S. Vora	-	-	3,22,757	2,27,899	-	-	3,22,757	2,27,899
Mr. Hashmukh K. Modi	-	-	1,28,092	1,32,910	-	-	1,28,092	1,32,910
Mr. Ghanshyam A. Thakkar	-	-	2,49,628	2,09,628	-	-	2,49,628	2,09,628
Mr. Krupesh G. Thakkar	-	-	1,87,659	-	-	-	1,87,659	-
Mr. Ramnik T. Kansagara (appointed in 2nd February 2019)	-	-	1,53,718	1,20,342	-	-	1,53,718	1,20,342

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

(Amount in ₹)

Nature of Transaction	Enterprises over which Key Managerial Person is able to exercise significant influence		Key Managerial Personnel		Relatives of Key Managerial Personnel & Director		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
b) Receivable (Trade Receivables)								
Surya Panel Private Limited	51,29,450	2,41,01,932	-	-	-	-	51,29,450	2,41,01,932
Security Deposit (Lease Rent Deposit Receivable)								
Ratnatej Infrastructure Private Limited	62,31,312	1,02,00,000	-	-	-	-	62,31,312	1,02,00,000

Note: The remuneration of directors and other member of Key Management Personal during the year is short term benefits.

43 In the opinion of the board, current assets, loans and advances are approximately of the value if realized in the ordinary course of business.

44 DISCLOSURES REGARDING EMPLOYEE BENEFITS

As per Indian Accounting Standard 19 “Employee Benefits” the disclosures are given below:

Defined Contribution Plan

Contribution to defined contribution plan, recognized as expense for the year is as under:

(Amount in ₹)

Particulars	2019-20	2018-19
Employers contribution to provident fund	82,20,064/-	72,45,924/-

(i) **Defined Contribution Plan:** Employee benefits in the form of Provident Fund are considered as defined contribution plan and the contributions to Employees Provident Fund Organization established under The Employees Provident Fund and Miscellaneous Provisions Act 1952 and Employees State Insurance Act, 1948, respectively, are charged to the profit and loss account of the year when the contributions to the respective funds are due.

(ii) **Defined Benefit Plan:** Retirement benefits in the form of Gratuity are considered as defined benefit obligation and are provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972.

As the Company has not funded its liability, it has nothing to disclose regarding plan assets and its reconciliation.

(iii) Major risk to the plan

I have outlined the following risks associated with the plan:

A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Company there can be strain on the cash flows.

D. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

(iv) Defined Benefit Cost

(Amount in ₹)

Particulars	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Current Service Cost	45,54,747	39,08,510
Interest Expense on Defined Benefit Obligation (DBO)	12,24,826	9,42,762
Defined Benefit Cost included in Profit and Loss		
Remeasurements - Due to Financial Assumptions	26,99,497	(2,79,495)
Remeasurements - Due to Experience Assumptions	(194)	(12,16,487)
Remeasurements - Due to Experience Adjustments	15,39,470	9,14,232
Return on plan assets excluding amounts included in interest income	1,56,856	67,144
Defined Benefit Cost included in Other Comprehensive Income	43,95,629	(5,14,606)
Total Defined Benefit Cost in Profit and Loss and OCI	1,01,75,202	43,36,666

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

(v) Movement in Defined benefit liability:

(Amount in ₹)

Particulars	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Opening Defined Benefit Obligation	1,80,57,647	1,37,20,981
Interest Expense on Defined Benefit Obligation (DBO)	-	-
Current Service Cost	57,79,573	48,51,272
Total Remeasurements included in OCI	43,95,629	(5,14,606)
Less: Benefits paid	(12,05,828)	-
Less: Contributions to plan assets	-	-
Closing benefit obligation	2,70,27,021	1,80,57,647
Current Liabilities of Closing benefit obligation	57,07,576	43,01,638
Non-Current Liabilities of Closing benefit obligation	2,13,19,445	1,37,56,009

(vi) Sensitivity Analysis of Defined Benefit Obligation:

(Amount in ₹)

Under Base Scenario	2019-20
(A) Discount Rate Sensitivity	
Increase by 0.5%	3,89,27,513
(% change)	(3.17%)
Decrease by 0.5%	4,15,58,216
(% change)	3.38%
(B) Salary Growth Rate Sensitivity	
Increase by 0.5%	4,12,13,729
(% change)	2.52%
Decrease by 0.5%	3,92,06,933
(% change)	(2.47%)
(C) Withdrawal Rate (W.R.) Sensitivity	
W.R. x 110%	3,98,51,927
(% change)	(0.87%)
W.R. x 90%	4,05,72,639
(% change)	0.93%

(vii) Actuarial assumptions:

(Amount in ₹)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Mortality Table : Indian Assured Lives Mortality (2006-08) Table		
Discount Rate (per annum)	6.60%	7.70%
Rate of escalation in salary (per annum)	10.00%	10.00%
Withdrawal rate	15.00% p.a. at younger ages reducing to 10.00% p.a. % at older ages	15.00% p.a. at younger ages reducing to 10.00% p.a. % at older ages

(viii) The above details are certified by the actuary.

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

45 CORPORATE SOCIAL RESPONSIBILITY CONTRIBUTION-

(a) Gross amount required to be spent by the Company during the year ₹ 66,45,836/- (Previous year ₹ 63,28,724/-)

(b) Amount spent during the year on:

(Amount in ₹)

Particulars	Year	Amount spent (₹)	Amount yet to be spent (₹)	Total (₹)
(i) Construction/acquisition of any asset	2019-20	Nil	Nil	Nil
(ii) On purposes other than (i) above	2019-20	63,18,735	3,27,101	66,45,836/-

46 On 27/09/2019 due to the very heavy rain in Hyderabad, Company's godwon located at G144 1/A, SEIE Kattedan, Rajendra Nagar, Rangareddy, Hyderabad, Telangana, has got flooded with water. The company has lodged claim in respect of loss of stock. The stock Consists of Finished Goods. The said Claim is shown as Insurance Claim Receivable in Note No. 12 of notes forming part of the Standalone financial statements.

47 Inventories are as taken, valued and certified by the management.

48 During the year under review, the Company has received an order u/s 281B of the IT Act, 1961 dated 09.05.2019 from the Joint Commissioner of Income Tax (OSD), Circle-3(1)(2), Ahmedabad and accordingly the Company's unit situated at 607-608, GIDC, Mansa, Dist. Gandhinagar, Gujarat 382 845 has been provisionally attached u/s 281B of the Income Tax Act, 1961. Company has filed rectification application dated 22.05.2019 for order u/s 154 of the IT Act 1961 for rectification of address of property and rectification of facts. Further Letter dated 07.11.2019 for extension of above order has been received by company dated 07.11.2019. Company has filed rectification application u/s 154 of the Income Tax Act 1961 on 02.01.2020.

49 DISCLOSURE UNDER IND AS 115 REVENUE

The Company has recognized the following amounts relating to revenue in the statement of profit or loss:

(Amount in ₹)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Revenue from contracts with customers	3,27,16,80,401	3,33,68,47,445
Total revenue	3,27,16,80,401	3,33,68,47,445

Revenue is recognized upon transfer of control of products to customers.

(a) **Disaggregation of revenue from contracts with customers**

Revenue from sale of products represents revenue generated from external customers which is attributable to the Company's country of domicile i.e. India and external customers outside India as under:

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

(Amount in ₹)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Revenue from	3,27,16,80,401	3,33,68,47,445
- Outside India	2,23,91,66,040	2,27,84,43,034
- In India	1,03,25,14,361	1,05,84,04,411

No single customer contributed 10% or more to the Company's revenue for 2019-20 and 2018-19.

All assets are located in the Company's country of Domicile.

(b) Contract assets and liabilities

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Contract Assets	63,46,74,952	56,92,40,706
Total Contract Assets	63,46,74,952	56,92,40,706
Contract Liability	2,67,23,991	1,28,39,851
Total Contract Liability	2,67,23,991	1,28,39,851

(c) Performance obligations

The performance obligation is satisfied upon delivery of the finished goods and payment is generally due within 1 to 3 months from delivery. The performance obligation to deliver the finished goods is started after receiving of sales order. The customer can pay the transaction price upon delivery of the finished goods within the credit period, as mentioned in the contract with respective customer.

50 DEFERRED TAX ASSETS/(LIABILITY)

The breakup of Deferred Tax as at 31st March, 2020 is as under.

(Amount in ₹)

Particulars	Amount (As on 31st March, 2020)	Amount (As on 31st March, 2019)
Deferred Tax Liabilities.		
- Timing Difference of Depreciation (Deferred tax liability)	19,55,19,933	26,53,83,029
- Capital gain on land revaluation (Deferred Tax Liability)	4,61,31,151	4,82,34,075
Deferred Tax Assets.		
- Gratuity Payment (Deferred Tax Assets)	67,56,058	62,63,962
Net Deferred Tax Liability	23,48,95,026	30,73,53,142

Notes to the Standalone Financial Statements (Contd.)

RUSHIL DECOR LIMITED (CIN : L25209GJ1993PLC019532)

51 During the year 2018-19, the Company had issued 190372 equity share of ₹ 10 each at a premium of ₹ 935/- each on preferential basis to Mr. Rakesh Arora (No of shares 105822) and Mr. Manish Srivastava (No of Shares 84550) on 28th April 2018. The company has received share application money from Mr. Manish Srivastava who based in Singapore. Mr. Manish Srivastava has given Share application money of ₹ 7,99,00,000/-, while remitting the fund, in the FIRC (Foreign Inward Remittance Certificate), but due to technical error there was a mistake in filing form with authority, by mistake it was written as Repayment of loan instead of Share application money and hence the same requires correction from the remitting bank of Mr. Manish Srivastava. Mr. Manish Srivastava was allotted 84550 equity shares of ₹ 10 each at premium of ₹ 935 making total allotment including premium of ₹ 7,98,99,750/- and hence there was a surplus of ₹ 250/- which the Company has asked their banker to refund the said amount to Mr. Manish Srivastava but because of non-compliance of submitting Form FC-GPR to be filed by collecting bank i.e. Axis Bank with Reserve Bank of India, this amount could not be refunded. In spite of repeated reminder to the shareholder Mr. Manish Srivastava, has not got its FIRC Corrected and hence due to the technical difficulty faced by the Company and due to no fault on the part of the Company the said Share application money to the extent refundable is not treated as Violation of Section 73 of the Companies Act, 2013. Till the date of signing the audit report the said Share application Money of ₹ 250/- is lying with Axis Bank as non-refunded to shareholder. Thus company has shown ₹ 250/- as share application money (Refundable) under the head “Other Financial Liabilities” in note No 22 of Notes forming part of Standalone financial statement.

52 The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slow down of economic activity, COVID 19 has caused interruption in production, supply chain disruption, unavailability of personnel, etc. during last week of March, 2020 and thereafter. The management of the Company has exercised due care in concluding significant accounting judgments and estimates in preparation of the financial results In assessing the recoverability of Trade receivables, the Company has considered subsequent recoveries, past trends, credit risk profiles of the customers and internal and external information available up to the date of issuance of these financial results. In assessing the recoverability of inventories, the Company has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the Company is of the view that the carrying amounts of Trade receivables and inventories are expected to be realisable to the extent shown in the financial results The impact of COVID-19 may be different from the estimates as at the date of approval of these financial results and the Company will continue to closely monitor the development.

53 The Company has elected to exercise the option permitted u/s 115BAA of the Income- tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. The Company has accordingly recognized Provision for Income tax for the year ended 31st March, 2020 and re-measured its net Deferred Tax Assets and Liabilities basis the rate prescribed in the said section. The impact of this change has been recognized in the Statement of Profit and Loss for the year ended 31st March, 2020.

54 THE FINANCIAL STATEMENTS WERE AUTHORIZED FOR ISSUE BY THE DIRECTORS ON 30TH JULY, 2020.

- : Significant accounting policies – A : -

- : Notes To Financial Statements 1 to 54 : -

As per our report of even date attached.
For **Parikh & Majmudar**
Chartered Accountants
(Firm Regn.No.107525W)

(C.A (Dr) Hiten M. Parikh)
Partner
Membership No.040230
UDIN: 20040230AAAAFV7471
Place: Ahmedabad
Date: 30th July, 2020

(K.M. Gajjar)
Chief Executive Officer

(V.S. Vora)
Chief Financial Officer

(H.K. Modi)
Company Secretary

For and on behalf of the Board of Directors, Rushil Décor Limited

(Ghanshyambhai A. Thakkar)
Chairman
DIN : 00208843

(Krupeshbhai G. Thakkar)
Managing Director
DIN : 01059666



RUSHIL

DECOR LIMITED

WE'LL MAKE IT


Corporate Office


Rushil Decor Ltd.
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Off. Sindhu Bhavan Road, Shilaj,
Ahmedabad-380058, Gujarat, INDIA.


Registered Office


Rushil Decor Ltd.
S. No. 125, Near Kalyanpura Patia, Village ITLA,
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