

Rushil Decor Limited

(BSE: 533470, NSE: RUSHIL)

Q1 FY2016 Earnings Presentation

August 2015

This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Rushil Decor’s future business developments and economic performance.

While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

Rushil Decor Ltd. undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

Q1 FY2016 vs Q1 FY2015

Net Sales	EBITDA	Profit Before Tax (PBT)	Profit After Tax (PAT)
Rs. 716 million +4.2%	Rs. 93 million +48.7%	Rs. 48 million +216%	Rs. 21 million +182%

Commenting on the results, **Mr. Krupesh Ghanshyambhai Thakkar, Managing Director of Rushil Decor** said:

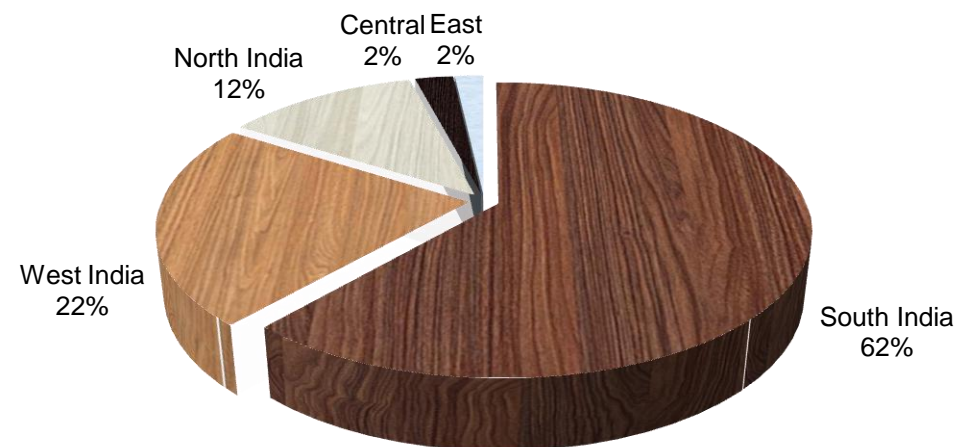
“We are pleased to announce another strong quarter with improved profitability. During the quarter, we recorded a moderate revenue growth of 4.2% y-o-y to reach Rs. 716 million. Our EBITDA experienced significant growth of around 49% compared to same period last year. This robust growth was driven by increased contribution from our MDF business. This segment accounted for around 40% of our total sales and 60% of our operating profits. Furthermore our average realization for MDF increased by around 13% to Rs. 247 per sq. meter in the current quarter.

We expect that demand for our products will further improve going forward due to increased construction activity. Government’s focus on better infrastructure and affordable housing would be the key drivers of growth in the medium to long term. Our Company is well placed to capitalize on the future opportunities with its capabilities.”

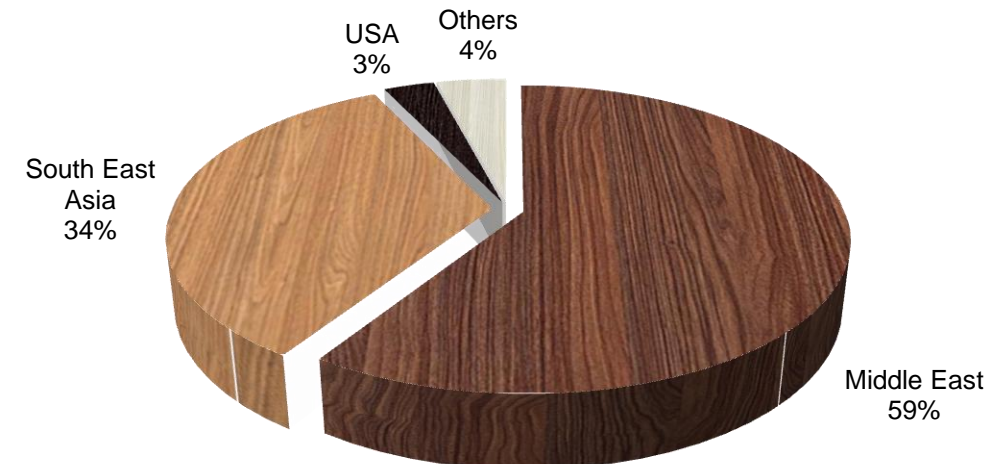
Key Financial Statistics

(Rs. Million)	Q1		y-o-y Growth (%)
	FY2016	FY2015	
Net Sales (Incl. Other Operating Income)	716.1	687.4	4.2%
EBITDA	93.1	62.6	48.7%
Margin (%)	13.0%	9.1%	
PAT	20.7	7.3	181.9%
Margin (%)	2.9%	1.1%	
Basic EPS (Rs.)	1.44	0.51	181.9%

Domestic Sales Breakup¹ (Rs. 431 mm)



Export Sales Breakup (Rs. 266 mm)



Note:

1. Includes trading sales

Key Financial Statistics

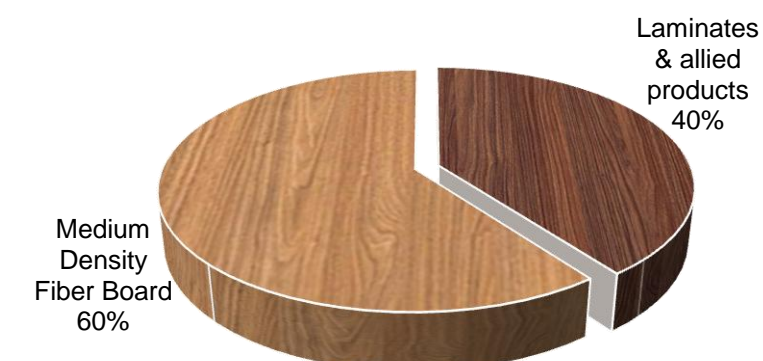
Segment Revenue (Rs. Million)	Q1		y-o-y Growth (%)
	FY2016	FY2015	
Laminates & allied products	402.6	401.0	0.4%
Particle Board	-	27.1	n/a
Medium Density Fiber Board	300.2	250.1	20.0%
Less: Inter segment revenue	5.4	3.5	53.7%
Revenue form Operations¹	697.4	674.7	3.4%

Segment Revenue – Q1 FY2016²



Segment Profit (Rs. Million)	Q1		y-o-y Growth (%)
	FY2016	FY2015	
Laminates & allied products	34.6	38.5	(10.0)%
Particle Board	0.1	(9.0)	nm
Medium Density Fiber Board	52.5	26.8	95.5%
Total Segment Profit	87.2	56.3	54.9%

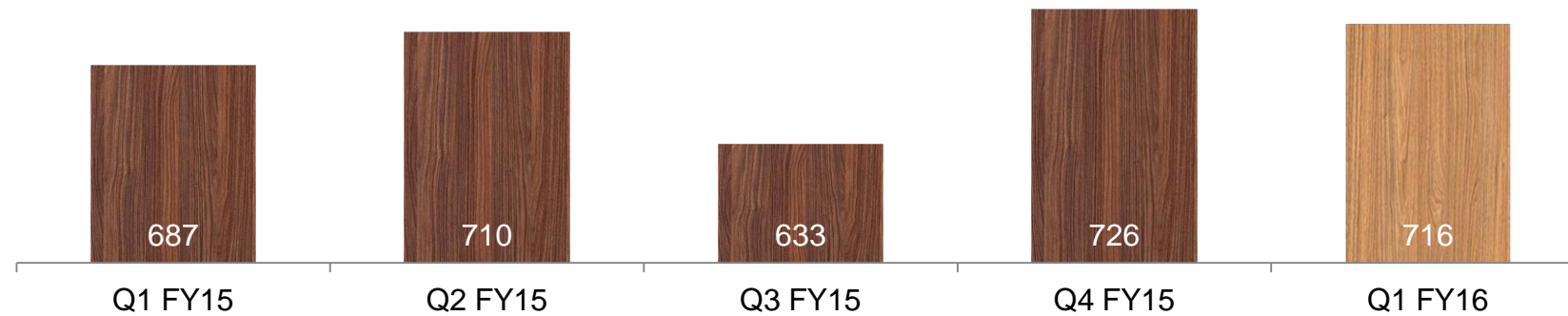
Segment Profit – Q1 FY2016²



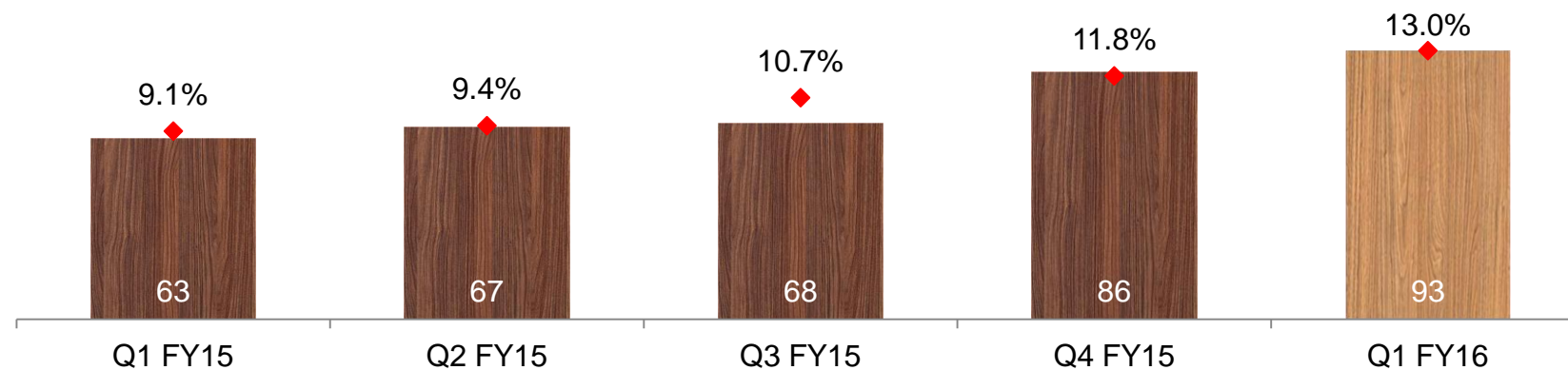
Note:

1. Excludes other operating income
2. Particle Board business has been discontinued

Revenue (Rs. Million)



EBITDA (Rs. Million) and Margin (%)



Key Highlights

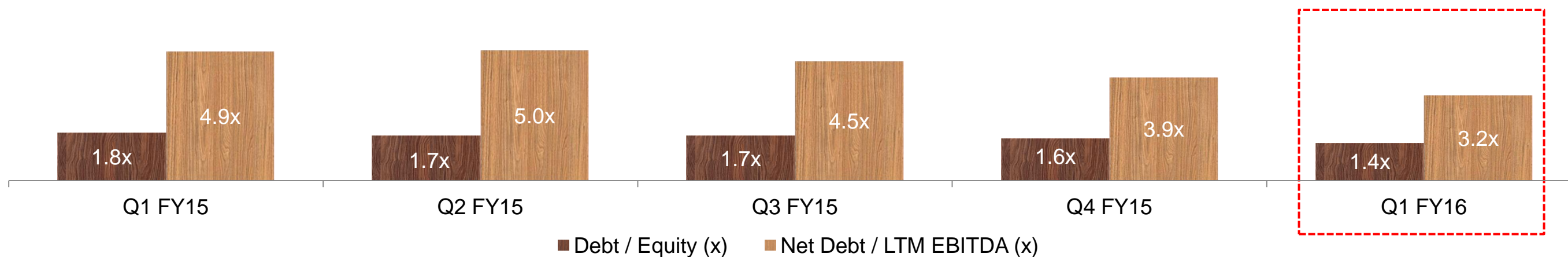
- Performance during the quarter benefitted from better product mix
- Our operating profit benefitted from higher contribution of MDF business
- Operating profit also benefitted from cost optimization measures which resulted in lower raw material cost
- Lower interest expenses due to scheduled repayment of term loans as well as optimum working capital management also contributed to the improvement in profitability

Leverage Profile



Particulars (Rs. million)	30-Jun-15	31-Mar-15
Short Term Borrowings	394	432
Long Term Borrowings	521	563
Current Portion of Long-Term Borrowings	163	181
Total Debt	1,078	1,177
Less: Cash & Cash Equivalents	(64)	(69)
Net Debt / (Net Cash)	1,014	1,108

Gradually improving leverage profile





Rushil Décor

- Started operations in 1993, the Company is engaged in the manufacturing of medium density fibre (MDF) and decorative laminate products
- Offers engineered interior products, which include decorative laminate sheets, Industry laminate sheets and Rushil kitchen door under “Vir Laminate” or “Rushil” or “Signor” brand
- MDF products are sold under the brand name “Vir MDF Board”
- Has three decorative laminate manufacturing units in Gujarat and one MDF manufacturing unit in Karnataka



Quality

- ISO 9001:2000 certifications for quality; ISO 18001:1999 certification for health & safety and ISO14001: 2004 for environmental system for all the units



Network and Global Presence

- Strong and wide distribution network in domestic as well as international market
- The Company’s product is exported to regions such as North America, South America, Europe, Middle East, China, South East Asia and Far East Asia

Presence across wide spectrum of products

Laminates



Artificially created materials made from paper and resins

MDF

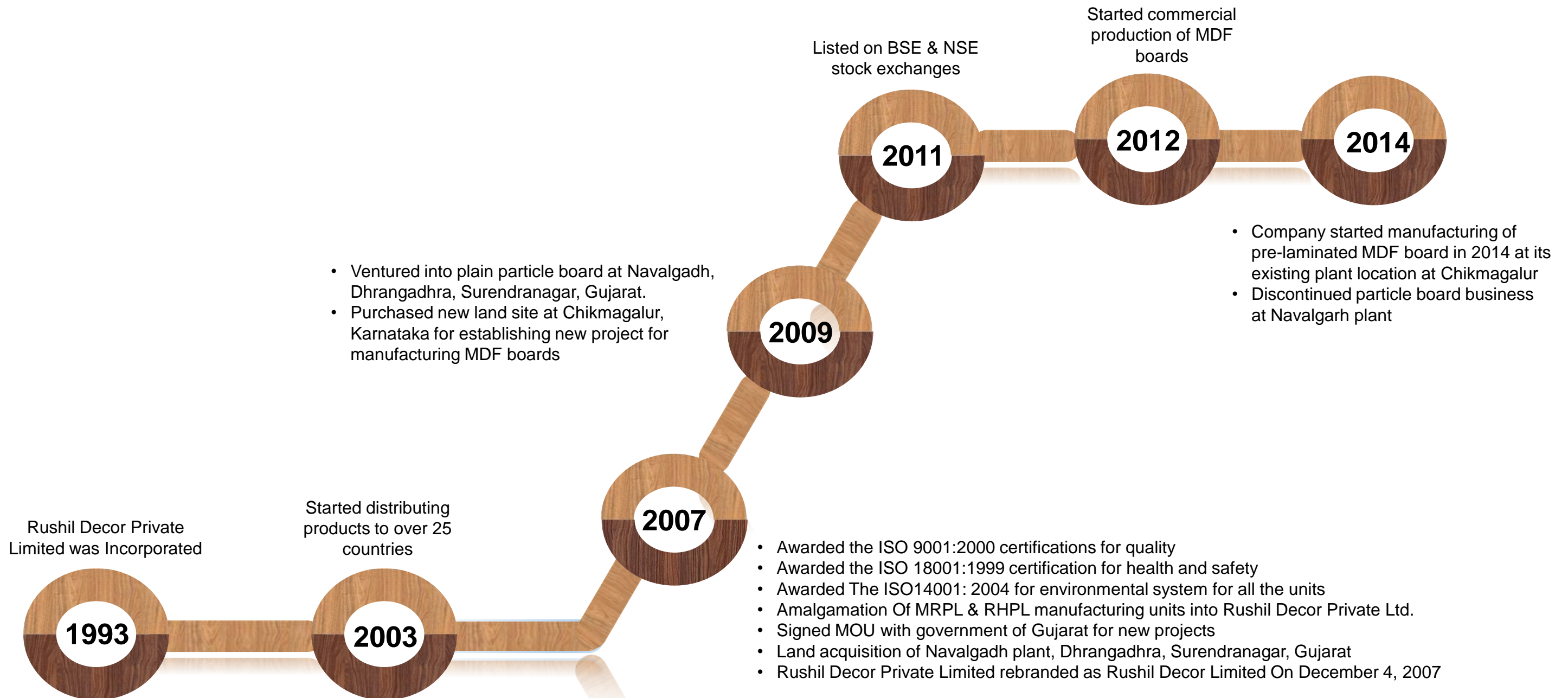


Medium Density Fibre board (MDF) is made from wood fibres

Prelam



Boards with laminated surfaces



Ghanshyambhai A. Thakkar
Chairman, Promoter

Has an experience of more than 40 years in the industry of laminated sheets, plywood, particle board, prelam board and allied items

Jingle P. Thakkar
Independent Woman Director

Has significant experience in the field of finance and accounts

Krupeshbhai G. Thakkar
Managing Director, Promoter

Has an experience of more than 15 years in laminated industry and has been conferred with several accolades which include the “Rajiv Gandhi Shiromani Award” and the “Indira Gandhi Sadbhavana Award”

Shankar Prasad Bhagat
Independent Director

Has an experience of 25 years in the field of finance and accounts

Kaushikbhai J. Thakkar
Director

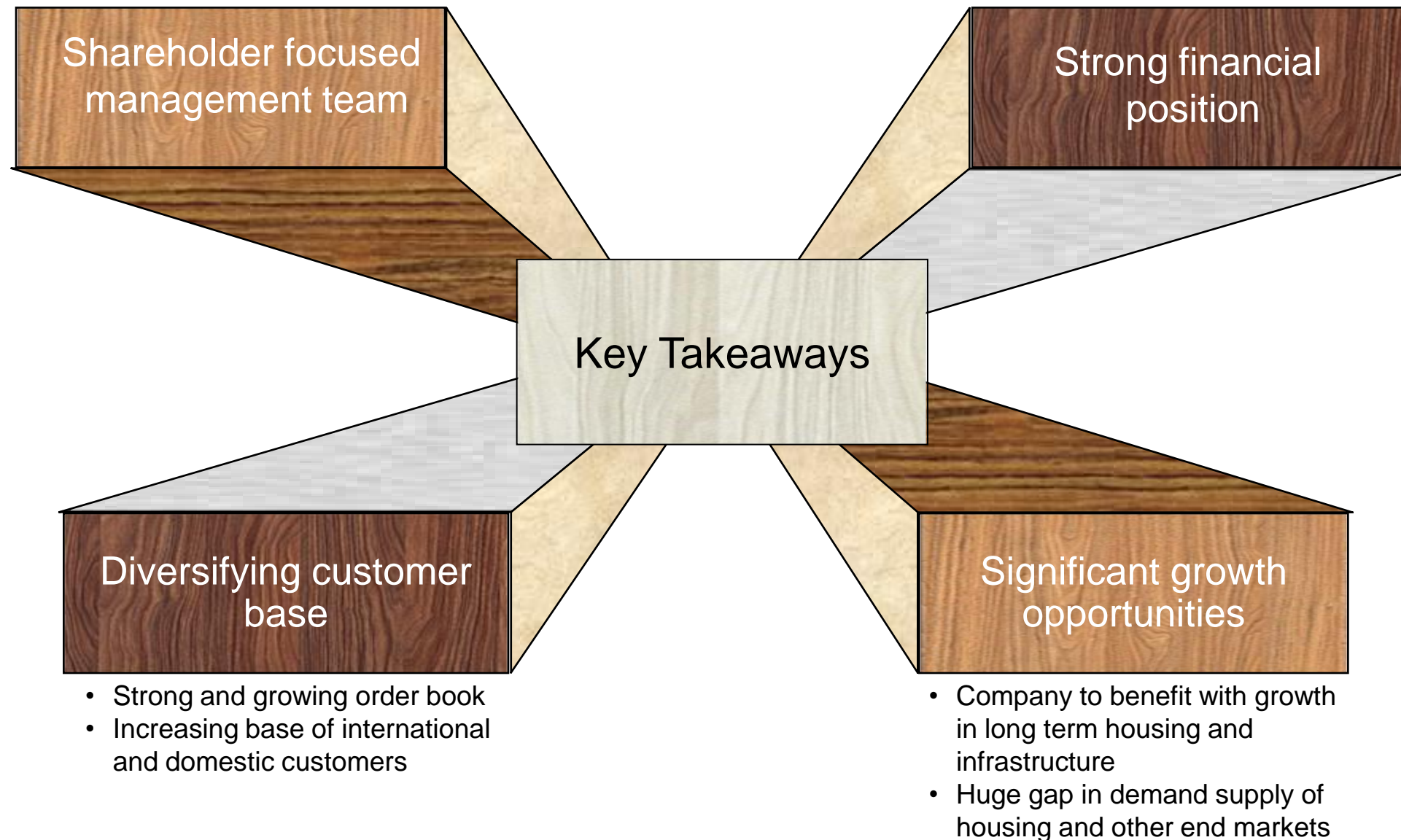
Has wide experience of admin, business affairs of branches as well as business with consignment agents

Rohitbhai B. Thakkar
Independent Director

Has vast experience across various domains of the business

- Robust organic growth
- Focused on improving shareholders return

- Consistently increasing operating margins
- Healthy cash flow from operations



First Quarter Results for Financial Year 2016

Sr No.	Particulars	(Rs. in lacs)			
		Quarter Ended		Year Ended	
		30.06.2015 (Unaudited)	31.03.2015 (Audited)	30.06.2014 (Unaudited)	31.03.2015 (Audited)
PART-I Statement of Unaudited Financial Results for the Quarter ended 30th June, 2015					
1	Income from operations				
	(a) Net sales / Income from operations (net of excise)	6,973.61	7,126.04	6,747.35	26,960.11
	(b) Other Operating income	187.64	136.62	127.12	605.48
	Total income from operation (a)+(b)	7,161.25	7,262.66	6,874.47	27,565.59
2	Expenses				
	a) Cost of materials consumed	3,963.89	4,168.21	4,063.88	16,597.74
	b) Purchase of stock- in- trade	118.16	302.48	265.03	709.36
	c) Changes in inventories of finished goods, work-in- progress and stock in trade	151.10	142.73	107.97	5.64
	d) Employees benefits expense	398.47	408.30	377.64	1,571.79
	e) Depreciation & amortisation expense	161.70	125.10	185.23	692.33
	f) Other expenses	1,598.17	1,385.04	1,433.58	5,854.33
	Total Expenses	6,391.49	6,531.86	6,433.33	25,431.19
3	Profit from operations before other income, finance cost and exceptional items (1-2)	769.76	730.80	441.14	2,134.40
4	Other income	32.66	108.66	73.34	242.71
5	Profit from ordinary activities before finance cost and exceptional items (3 + 4)	802.42	839.46	514.48	2,377.11
6	Finance cost	327.13	334.76	364.29	1,434.56
7	Profit from ordinary activities after finance cost but before Exceptional items (5- 6)	475.29	504.70	150.19	942.55
8	Exceptional items/ Prior period items	-	-	-	-
9	Profit from Ordinary Activities before tax (7 - 8)	475.29	504.70	150.19	942.55
10	Tax expense				
	Current Tax	96.91	71.75	30.05	71.75
	Deferred Tax	171.24	123.81	46.65	333.43
11	Net Profit (+)/Loss (-) from Ordinary Activities after Tax (9 - 10)	207.14	309.14	73.49	537.37
12	Extraordinary Items (Net of Tax expenses)	-	-	-	601.91
13	Net Profit (+)/Loss (-) for the period (11-12)	207.14	309.14	73.49	(64.54)
14	Paid up equity share capital (Face value of ` 10/- each)	1,440.00	1,440.00	1,440.00	1,440.00
15	Reserves excluding Revaluation Reserves as per balance sheet of the previous accounting year	-	-	-	5,962.60
16	Basic & Diluted EPS Before & After Extra Ordinary Items for the Period (Rs.) (Not Annualised)	1.44	2.15	0.51	(0.45)
PART-II Information for the Quarter ended 30th June 2015					
A PARTICULARS OF SHAREHOLDING					
1	Public shareholding				
	Numbers of shares	6,348,266	6,348,266	6,345,410	6,348,266
	Percentage of shareholding	44.1%	44.1%	44.1%	44.1%
2	Promoters and Promoter Group Shareholding				
	a) Pledged / Encumbered				
	Number of shares	Nil	Nil	Nil	Nil
	b) Non -encumbered				
	Number of shares	8,051,734	8,051,734	8,054,590	8,051,734
	Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	100.0%	100.0%	100.0%	100.0%
	Percentage of shares (as a % of the total share capital of the company)	55.9%	55.9%	55.9%	55.9%

Sr No.	Particulars	(Rs. in lacs)			
		Quarter Ended		Year ended	
		30.06.2015 Unaudited	31.03.2015 Audited	30.06.2014 Unaudited	31.03.2015 Audited
1	Segment Revenue				
	a Laminates & allied products	4,026.01	4,172.48	4,009.99	16,306.28
	b Particle Board	-	68.80	271.41	374.69
	c Medium Density Fiber Board	3,001.54	2,931.54	2,501.04	10,511.30
	d Unallocated	-	-	-	-
	Total	7,027.55	7,172.82	6,782.44	27,192.27
	Less: Inter segment revenue	53.94	46.78	35.09	232.16
	Net sales from Operations	6,973.61	7,126.04	6,747.35	26,960.11
2	Segment Results				
	Profit Before Interest and Tax:				
	a Laminates & Allied Products	346.39	682.35	384.85	1,889.79
	b Particle Board	0.77	(11.84)	(90.44)	(175.50)
	c Medium Density Fiber Board	524.89	228.13	268.45	877.59
	d Unallocated	-	-	-	-
	Total	872.05	898.64	562.86	2,591.88
	Less:				
	i Interest	327.13	334.76	364.29	1,434.56
	ii Other Unallocable expenditure	69.63	59.18	48.38	214.77
	Add:				
	i Unallocable Income	-	-	-	-
	Total Profit Before Tax	475.29	504.70	150.19	942.55
3	Capital employed (Segment assets-Segment Liabilities)				
	a Laminates & Allied Products	2,725.79	2,692.03	2,451.30	2,692.03
	b Particle Board	393.21	421.42	2,313.18	421.42
	c Medium Density Fiber Board	11,745.13	11,776.35	11,576.50	11,776.35
	d Unallocated	(26.16)	18.97	10.76	18.97
	Total	14,837.97	14,908.77	16,351.74	14,908.77

Rushil Decor Limited
CIN - L25209GJ1993PLC019532

Registered Office:

S. No. 125, Near Kalyanpura Patia, Village
Itla, Gandhinagar-Mansa Road, Ta. Kalol,
Dist. Gandhinagar, Gujarat – 382845

Corporate Office:

1, Krinkal Apt., Mahalaxmi Society, Opp.
Mahalaxmi Temple Paldi, Ahmedabad,
Gujarat – 380007



Hasmukh K. Modi
Rushil Decor Ltd.

cs@virlaminate.com
+91 79 2665 1346

Bijay Sharma
Churchgate Partners

RushilDecor@churchgatepartnersindia.com
+91 22 6169 5988