

BOARD'S REPORT

To
The Members,
Your Directors are pleased to present the 27th Annual Report of Rushil Décor Limited ("the Company") together with the audited financial statements for the year ended 31st March, 2021.

FINANCIAL SUMMARY AND HIGHLIGHTS

The financial performance for the year ended 31st March, 2021 is summarized below:

	(₹ in Lakhs)	
Particulars	2020-21	2019-20
Revenue from Operations	33,544.38	33,559.80
Other Income	432.27	353.58
Profit before Depreciation, Finance Costs and Tax Expense	4,081.61	4,044.99
Less: Depreciation and Amortization Expenses	973.24	868.94
Profit before Finance Costs and Tax Expense	3,108.37	3,176.06
Less: Financial Costs	1,241.90	1,204.43
Profit before Tax Expense	1,866.47	1,971.62
Less: Tax Expense (Current & Deferred)	494.64	(333.35)
Profit after Tax	1,371.83	2,304.97
Add: Other Comprehensive Income/loss for the year	(23.76)	32.89
Total Comprehensive Income	1,348.07	2,337.86
Balance of Retained Earnings for earlier years	11,418.93	9,171.07
Less: Final Dividend Paid	86.52	74.66
Less: Tax on Final Dividend	--	15.34
Balance carried forward	12,680.48	11,418.93

COMPANY'S FINANCIAL PERFORMANCE

Net revenue from operations decreased to ₹ 33544.38 Lacs as against ₹ 33,559.80 Lacs in the previous year showing a nominal decline of ₹ 15.42 Lacs.

The Profit before Tax for the current year is ₹ 1,866.47 Lacs as against ₹ 1,971.62 Lacs in the previous year showing a decline of ₹ 105.15 Lacs.

During the year 2020-21, the Company gain ₹ 152.17 lacs by sold of one of its land of Navalgad unit which is shown under the exceptional item in the statement of Profit & Loss. The Profit after Tax (PAT) for the current year is ₹ 1,371.83 Lacs as against the profit of ₹ 2,304.97 Lacs in the previous year.

The financial performance of the Company is affected mainly due to Medium Density Fiber Board's (MDF) revenues goes down from ₹ 167.07 Crores in last year to ₹ 155.91 Crores in the FY 2020-21. However, Laminates and allied products revenue increases from ₹ 163.37 Crores to ₹ 175.60 Crores. Further, Medium Density Fiber Board's (MDF) division's PBIT is gone down by ₹ 1.60 Crores in the FY 2020-21. While, the Laminates and allied product division's PBIT is increased by ₹ 1.25 Crores in FY 2020-21.

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

KEY BUSINESS DEVELOPMENTS

COMMENCEMENT OF NEW PLANT

During the year 2020-21, your Company has Commenced regular Commercial Production of "Thin & Thick Medium Density Fiber Board (MDF Board) Manufacturing Facility" unit located at Atchutapuram, Dist. Vishakhapatnam, State Andhra Pradesh having capacity of 800 CBM per day.

CHANGE(S) IN THE NATURE OF BUSINESS

There has been no change in the nature of business of the Company during the year under review.

MATERIAL CHANGES & COMMITMENT AFFECTING FINANCIAL POSITION:

There are no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year 2020-21 to which the financial statements relate and the date of this report.

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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 24th day of June, 2021 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, 2021, subject to the approval of the Members at the ensuing 27th 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 fixed by the Company. However, the dividend on partly paid-up equity shares will be in proportion to amount paid up on such partly paid-up equity shares.

The Dividend payable by the Company will be as per the Dividend Distribution Policy of the Company.

INDUSTRY OVERVIEW

Company has two main business segments, i.e. MDF and laminates. In FY 2020-21, laminates and allied products has contributed 52.35% to Company's revenue and MDF has contributed 46.48% to Company's revenue. During the year, the Company has Commenced regular Commercial Production of "Thin & Thick Medium Density Fiber Board (MDF Board) Manufacturing Facility" unit located at Atchutapuram, Dist. Vishakhapatnam, State Andhra Pradesh having capacity of 800 CBM per day. 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.

GLOBAL PANDEMIC – COVID-19

The year 2020-21 witnessed an unprecedented and challenging time, gripped by COVID-19 pandemic globally. Due to outbreak of COVID-19 which has been declared as a Pandemic by World Health Organization and subsequent lock down ordered by the Central and State Government(s) in India, the manufacturing facility of the Company was interrupted. For the initial few months i.e. first and second quarter of the previous financial year business volumes were low across different business segments. In adherence to the safety norms prescribed by Government of India, the operations had been resumed as per Government guidelines in manufacturing units and offices. For safety of workers, the Company has taken various measures to control COVID-19

at its plants and workplaces such as sensitization, thermal and oxygen level checking of employees reporting for duty. Further, the Company has provided adequate Group mediclaim Insurance cover for treatment of employees. Proper social distancing is being maintained in all the offices and production units of the Company.

The lockdown was gradually lifted and economic activity resumed to its normal levels, the Company was able to achieve normalcy in operations by end of FY 2020-21. During the fourth quarter ended 31st March, 2021, revenues and profitability of the Company have seen significant improvement backed by increase in demand post lockdown.

CAPITAL STRUCTURE

During the year, Company has allotted 49,77,111 Partly Paid-up Equity Shares (Equity Shares) on Rights basis at issue price of ₹ 50/- per share (₹ 40/- towards Securities Premium and ₹ 10 towards Paid-up Capital). At the time of Allotment of 49,77,111 Equity Shares, the Company has received Share Application Money of ₹ 12.5 per share (₹ 10/- towards securities premium and ₹ 2.5 towards paid-up capital) amounting to ₹ 4,97,71,110 towards Securities Premium and ₹ 1,24,42,777.5 towards Paid-up Capital.

Thus, during the year Company issued 49,77,111 partly paid-up equity shares which was fully subscribed by the shareholders. The details about the paid-up share capital is duly described in the financial statements which is part of this Annual Report.

Except above, the Company has not made any issue or allotment of shares during the year under review.

ISSUE OF SHARES OR OTHER CONVERTIBLE SECURITIES RIGHTS ISSUE OF EQUITY SHARES

During the year, Company has allotted 49,77,111 Partly Paid-up Equity Shares (Equity Shares) on Rights basis at issue price of ₹ 50/- per share (₹ 40/- towards Securities Premium and ₹ 10 towards Paid-up Capital). The Right issue was made vide letter of offer dated 7th September, 2020 and the allotment was made on 15th October, 2020. In the said right issue total 35,03,471 equity shares were allotted to Promoter and Promoter Group,

During the year under review out of 49,77,111 Partly paid-up rights equity shares, 44,40,294 equity shares were converted into fully paid up shares in the meeting of fund raising committee of the Board of Directors held on 12th March, 2021. Listing approval was also received for the said 44,40,294 equity shares from BSE limited (BSE) on 19th March, 2021 and from National Stock Exchange of India Limited (NSE) on 17th March, 2021. However, trading

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approval was received for 44,40,144 equity shares on 26th March, 2021 as credit of 150 shares were failed due to pledge on it. Accordingly 5,36,817 equity shares were partly paid up as on 31st March, 2021.

Further after 31st March, 2021, out of remaining 5,36,817 partly paid up equity shares, 2,53,760 equity shares were converted into fully paid up shares in the meeting of fund raising committee of the Board of Directors held on 1st April, 2021. Listing approval was also received for the said 2,53,760 equity shares from BSE limited (BSE) and National Stock Exchange of India Limited (NSE). However, trading approval of NSE and BSE was received for 2,53,427 equity shares as credit of 333 shares were failed due to pledge on it.

CREDIT RATING

During the year, the Company has not availed credit rating(s) of Securities.

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 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 1st July, 2020 seeking action from the shareholders who have not claimed their dividends for past seven consecutive years. The Company has transferred Unpaid/Unclaimed Dividend Amount of ₹ 8,312.00 for FY 2012-2013 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 163 equity shares held by 4 shareholders to the IEPF Authority in the month of 17th November, 2020 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/9/11/Details-of-Equity-Shares-due-to-be-Transfer-to-IEPF-28-10-2020.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.

b) Year wise amount of unpaid/unclaimed dividend lying in the unpaid account upto 31.03.2021, 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 31 st March, 2021)	Due date of Transfer to IEPF Authority
Interim Dividend in FY 2015-16, Board Meeting held on 12.03.2016	5,1194.00	15.04.2023
Final Dividend for FY 2015-16, AGM held on 27.09.2016	11,982.50	29.10.2023
Final Dividend for FY 2016-17, AGM held on 23.09.2017	3,648.00	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
Final Dividend for FY 2019-20, AGM held on 18.12.2020	46,571.34	22.01.2028

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 www.rushil.com The same can also be accessed from the website of IEPF Authority at www.iepf.gov.in. The shareholders are therefore encouraged

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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 website 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. Ramanikbhai Tejabhai Kansagara (DIN 08341541), 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

During the year under review no changes were made in Composition of Board of Directors.

However after 31st March, 2021 following changes are made in Composition of Board of Directors:

- Mr. Rohit Bhailalbhair Thakkar, a Non-Executive Independent Director (DIN:06538323) of the Company was passed away on Saturday, 3rd July, 2021. Hence he is ceased to be a Non-Executive Independent Director of the Company from 3rd July, 2021.

- Appointment of Mr. Rushil K. Thakkar as an Additional Director as well as Whole Time Director was made in the Board Meeting held on 13th August, 2021. Mr. Rushil K. Thakkar was appointed as an Addition Director upto the ensuing Annual General Meeting of the Company to be held in September, 2021. However his tenure as a Whole Time Director will be commenced from 13th August, 2021 and ended on 12th August, 2026.

- Appointment of Mr. Kantilal A. Puj as an Additional Independent Director was made in the Board Meeting held on 13th August, 2021. Mr. Kantilal A. Puj was appointed as an Addition Independent Director upto the ensuing Annual General Meeting of the Company to be held in September, 2021. However his appointment as from Additional independent Director to an Independent Director will be regularized in ensuing Annual General Meeting for a one year from 13th August, 2021. A brief Profile of Mr. Kantilal A. puj is mentioned in the notice of the Annual General Meeting justifying his appointment as an Independent Director of the Company.

- Mr. Ghanshyambhai Ambalal Thakkar, Chairman as well as Whole Time Director (DIN: 00208843) of the Company has tendered his resignation from the post of Chairman as well as Director on Friday, 13th August, 2021 due to the health issues.

- Mr. Krupesh G. Thakkar (DIN:01059666), Director of the Company was appointed as a Chairperson of the Company in the Board Meeting held on 13th August, 2021.

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, Mr. Krupesh G. Thakkar, Managing Director as well as Chairman, Mr. Rushil Krupesh Thakkar, Additional Director as well as Whole time Director, Mr. Ramnikbhai T. Kansagara, Whole time Director, Mr. Keyur M. Gajjar, Chief Executive Officer (CEO), Mr. Vipul S. Vora, Chief Financial Officer (CFO) and Mr. Hasmukh K. Modi, Company Secretary (CS), 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

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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 database of Independent Directors maintained by Indian Institute of Corporate Affairs (IICA) in terms of the 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 the code of conduct for the board of directors and senior management personnel which is available on the Company's website at https://rushil.com/admin/uploads/investors_pdf/codes_policies/or-management-under-Regulation-17-of-the-SEBI-LODR-Regulation-2015.pdf

FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

In compliance with the requirements of the Listing Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their roles, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarization programme are explained in the Corporate Governance Report. The same is also available on the website of the Company at https://rushil.com/admin/uploads/investors_pdf/codes_policies/Familiarization_Programs_for_Independent_Directors.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 2020-21 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, 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 2020-21 has been enumerated in Corporate Governance Report. After the end of Financial Year 31st March, 2021, Company has constituted a Risk Management Committee of the Company in the Board Meeting held on 14th May, 2021 under regulation 21 of the SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015. Brief details pertaining to composition, terms of reference, meetings held and attendance thereof has been enumerated in Corporate Governance Report.

AUDIT COMMITTEE RECOMMENDATIONS

During the year, all the recommendations of Audit Committee 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.

PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 read with Rules framed thereunder and in compliance with the requirements of SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance evaluation of the Board as a whole, Individual Directors including Independent Directors (IDs), Non-Independent Directors, Chairperson and the Board Committees. A structured questionnaire was prepared after taking into consideration

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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.

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 Individual Directors was carried out by the entire Board excluding the director being evaluated. The performance evaluation of the Board as well as performance of the every Committee was also carried out by the entire Board. The Board has evaluated the composition of Board, its committees, experience and expertise, performance of specific duties and obligations, governance matters, etc.

Further, the Board of Directors have carried out the evaluation of the IDs, which includes the performance of the IDs and fulfillment of the independence criteria as specified in the Listing Regulations and their independence from the management. The Directors who were subject to evaluation did not participate in the proceedings of the meeting. Independent Directors reviewed the performance of the Chairman of the Company, taking into account the views of executive directors and non-executive directors.

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

Pursuant to 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, 2021, 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, 2021 and of the profit and loss of the Company for the financial year ended 31st March, 2021;

- (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 were adequate and operating effectively.

INTERNAL FINANCIAL CONTROL 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.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As on 31st March, 2021, Your Company has no Subsidiary Company, Associates and Joint Venture.

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.

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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.

RELATED PARTY TRANSACTIONS

During the FY 2020-21, 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 Related Party Transactions were entered with approval of the Audit Committee and is in compliance with the applicable provisions of the Act and the Listing Regulations. The details of the Related Party Transactions as required under IND AS - 24 are set out in **Notes** to the financial statements.

The Policy on Related Party Transactions as formulated by the Company is available on the website of the Company at https://rushil.com/admin/uploads/investors_pdf/codes_policies/Rushil_Related_Party_Transaction_Policy.pdf

The detailed 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 2020-21 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 2020-21 as well as other details of initiatives undertaken by the Company during the Financial Year 2020-21 in CSR has detailed in this Annual Report. The Annual Report on CSR activities as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been annexed to this Report as **Annexure - [3]** to this Report.

The CSR policy is available on the website of the Company at 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 formulated a Vigil Mechanism / Whistle Blower Policy pursuant to Regulation 22 of the Listing Regulations and Section 177(9) the Companies Act, enabling stakeholders to report any concern of unethical behaviour, suspected fraud or violation 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 Company's code of conduct. The Policy provides adequate safeguards against

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victimization 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 policy is available on the website of the Company at 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

During the year there is no any 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.

However, BSE limited had imposed fine of ₹ 4,20,000/- plus Applicable Taxes on Company on 24th May, 2021 due to not approaching the BSE Limited for Listing application of 253760 Rights – Partly paid up equity shares within 20 days from the date of allotment as per Para 2 of Schedule XIX of SEBI-ICDR Regulation 2018 (erstwhile108(2)) and as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/94 dated 19/08/2019). Accordingly, the said imposed fine was paid by the Company to BSE Limited on 29th May, 2021.

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

In terms of Section 139 of the Companies Act, 2013 ("the Act"), and the Companies (Audit and Auditors) Rules, 2014, made there under, the period of the present Statutory Auditors of the Company, **M/s. Parikh & Majmudar**, Chartered Accountants (Registration No. 107525W), expires at the conclusion of the ensuring 27th Annual General Meeting of the Company.

Based on the recommendations of the Audit Committee, the Board of Directors at its meeting held on Friday, 13th August, 2021 has considered the appointment of M/s. Pankaj R. Shah & Associates, Chartered Accountants, a firm having Firm Registration No. 107361W, as the Statutory Auditors

of the Company, to hold office for a period of five (5) years with effect from the conclusion of the 27th Annual General Meeting till the conclusion of the 32nd Annual General Meeting on such remuneration as decided mutually with the Auditors and subject to the approval of the shareholders of the Company in AGM.

A brief profile of M/s. Pankaj R. Shah & Associates, Chartered Accountants, a firm having Firm Registration No. 107361W is sent to the shareholders in the Notice of the 27th AGM.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditor's Report dated 24th June, 2021 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 2020-21 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 2020-21 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 filed the Secretarial Compliance Report for the financial year ended 31st March, 2021 to the Stock Exchanges 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.

Board's Report (Contd.)

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

The Annual Return in Form MGT-7 is available on the website of Company at www.rushil.com.

DIVIDEND DISTRIBUTION POLICY

Your Company's Dividend Distribution Policy, approved by the Board on 14th May, 2021, can be accessed on the website of the Company at <https://rushil.com/admin/uploads/7/14/Dividend-Distribution-Policy-pdf.pdf>

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report forms part of this Annual Report. The key initiatives taken by the Company with respect to Stakeholder relationship, Customer relationship, Environment, Sustainability, Health and Safety is disclosed in Business Responsibility Report forming part of this Annual Report.

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.

STATEMENT OF DEVIATION OR VARIATION

Pursuant to Regulation 32 of the SEBI (LODR) Regulations 2015, Listed entity shall submit to the stock exchange a Statement of Deviation(s) or Variation(s) on a quarterly basis for public issue, rights issue, preferential issue etc.

Statement of deviation(s) or variation(s), for the quarter and year ended 31st March, 2021, on the utilization of proceeds of Rights Issue of the Company was placed before the Audit Committee in its meeting held on 24th June, 2021, wherein the Audit Committee noted that there was no deviation as regards to utilization of funds from the Objects stated in the Letter of Offer for Company's Rights Issue and post its approval the same was submitted with the Stock Exchanges on 24th June, 2021.

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 2020-21, 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 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 2020-21, 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 sincerely thanks 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,**

Mr. Krupesh G. Thakkar
Chairman
(DIN: 01059666)

Date: 13th August, 2021
Place: Ahmedabad