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Rushil Decor Limited

January 2, 2026

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	181.99 (Reduced from Rs. 196.94 crore)	IVR A-/ Stable (IVR A Minus with Stable outlook)	IVR A-/ Stable (IVR A Minus with Stable outlook)	Rating Reaffirmed	Simple
Long Term Bank Facilities	-	-	IVR A-/ Stable (IVR A Minus with Stable outlook)	Rating Withdrawn	Simple
Short Term Bank Facilities	44.00	IVR A2+ (IVR A Two Plus)	IVR A2+ (IVR A Two Plus)	Rating Reaffirmed	Simple
Total	225.99 (INR Two Hundred and Twenty-Five Crore and Ninety-Nine Lakh only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The reaffirmation of the ratings assigned to the bank facilities of Rushil Decor Limited (RDL) continue to derive comfort from its long and successful track record under experienced promoters and management team with its state-of-the-art manufacturing facilities, diversified product stream with a strong brand name and extensive distribution network in geographically diversified business operations. Further, the ratings also consider satisfactory business performance of the company in FY25 [FY refers to the period from April 1 to March 31] coupled with its comfortable capital structure and satisfactory debt protection metrics. The ratings also note moderation in H1FY26 performance due to a temporary production disruption from a fire incident, increased raw material prices, jumbo project ramp-up costs and forex loss, however commencement of commercial production of new jumbo laminate project is expected to drive company's revenue and profitability growth going forward. These rating strengths are offset



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by susceptibility of its operating margin to raw material price fluctuation, exposure to foreign exchange fluctuation risk, working capital intensive nature of its operations and exposure to intense competition along with cyclical nature of the wood-panel industry.

The Stable outlook reflects that the company will maintain a stable business performance supported by extensive business experience of its promoters.

Infomerics Ratings has simultaneously withdrawn the long-term rating assigned to the term loans of RDL with immediate effect. The above action has been taken at the request of RDL as the term loans rated by Infomerics has been closed and based on the 'No Due Certificate' issued by its lenders which had extended the facilities rated by Infomerics. The rating is being withdrawn in accordance with Infomerics' Policy on Withdrawal of ratings.

Key Rating Sensitivities:

Upward Factors

- Significant growth in scale of business with improvement in profitability metrics thereby leading to overall improvement in cash accruals
- Improvement in the capital structure along with improvement in debt service parameters
- Improvement in working capital management

Downward Factors

- Dip in operating income or profitability impacting the debt coverage indicators with moderation in interest coverage ratio to below 2x
- Any debt funded large capex leading to deterioration in capital structure with overall gearing moderated to above 1.5x
- Elongation in the operating cycle impacting liquidity

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced promoters and management team**

The promoters of RDL have vast experience in trading, manufacturing, and marketing of plywood, laminates, and other wood panel products. The operation of the company is currently looked after by Mr. Krupesh Thakkar, Chairman, having an experience of around two decades



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in the wood panel industry. Mr. Rushil Thakkar, son of Mr. Krupesh Thakkar, is the Managing Director of the company. The promoters are well supported by a team of experienced professionals, who are at the helm of managing day to day affairs of the company.

- **Long and successful track record**

The company started with manufacturing of decorative laminates in 1993 and gradually diversified its product profile. RDL has established itself as a renowned player in Laminates & allied products. The company forayed into MDF segment in 2012 and within short span of time became one of the largest MDF players in the country.

- **State of the art manufacturing facilities with satisfactory capacity utilisation**

The manufacturing facilities of RDL are ISO 9001:2000 certified. Moreover, its MDF unit has a Bureau of Indian Standards (BIS) and eco-mark certification, and the laminate manufacturing unit has a Green-label certification from Singapore environmental council. Further, the facilities of the company are running with healthy capacity utilisation over the years. Better capacity utilisation resulted in better absorption of fixed overheads and supported the profitability.

- **Diversified product stream with a strong brand name and extensive distribution network**

The company offers a wide range of products in various segments like commercial/industrial (double- sided), decorative (single-sided) laminate and offers products across different price points, which enable it to cater to a broader customer base. Further, the company has established a new facility to produce jumbo-size laminate with annual capacity of 28 lakh sheets aimed at catering to the increasing demand for larger-format laminates in global markets. RDL markets its products under brand name of 'VIR LAMINATES', 'SIGNOR' and 'VIR MDF' and has a well-established marketing and distribution network in domestic as well as international market. However, MDF is a logistic intensive industry and RDL majorly caters to Southern Indian states like Andhra Pradesh, Tamil Nadu, Karnataka, and Kerala through its manufacturing unit located in Chikmagalur, Karnataka and Visakhapatnam, Andhra Pradesh.



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- **Geographically diversified business operations**

The company has geographically diversified operations, with 30%-35% of total revenue being derived from the export market and 65%-70% of revenue from domestic market. Its major export destinations are Middle East countries as well as Asian markets.

- **Stable business performance albeit moderation in H1FY26**

In FY25, total operating income increased by ~6% to Rs.891.34 crore, supported by an increase in sales volume across all its product segments. However, EBITDA margin moderated from 14.21% in FY24 to 11.82% in FY25 mainly on account of higher input cost. Further, moderation in average sales realisation of MDF also exerted pressure on operating profit margin. Notwithstanding the moderation in operating profit margin, PAT margin has improved supported by lower finance cost and increase in non-operating income. Gross cash accruals improved from Rs.78.18 crore in FY24 to Rs.78.89 crore in FY25. However, the business performance of the company was impacted in H1FY26 mainly due to a temporary production disruption from a fire incident, increase in the raw material prices mainly one of the key chemical inputs used in production and jumbo project ramp-up costs. Apart from this, the company has also suffered forex loss in H1FY26 due to adverse movement in Euro-Inr exchange rate. However, pricing for this key chemical has stabilized in Q3FY26 and commercial production of new jumbo laminate project (both Phase 1 and 2) has also started. Accordingly, Infomerics expects a stable business performance in the near term.

- **Comfortable capital structure and satisfactory debt protection metrics**

The capital structure of the company remained comfortable. During FY25, the company issued 21400000 equity shares against preferential warrant conversion leading to improvement in tangible net worth from Rs. 518.84 crore as on March 31, 2024 to Rs. 612 crore as on March 31, 2025. Consequently, long-term debt equity ratio improved from 0.41x as on March 31, 2024 to 0.31x as on March 31, 2025 and overall gearing ratio from 0.57x as on March 31, 2024 to 0.44x as on March 31, 2025. Due to decrease in finance cost, interest coverage ratio improved from 3.72x in FY24 to 3.88x in FY25. Moreover, total indebtedness as indicated by its TOL/ATNW also improved to 0.98x as on March 31, 2025 compared to 1.07x as on March



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31, 2024. As on September 30, 2025, the overall gearing ratio of the company continues to remain satisfactory at 0.44x with an interest coverage ratio of 1.39x in H1FY26.

Key Rating Weaknesses

- **Susceptibility of operating margin to raw material price fluctuation**

Raw material cost formed about 60%-65% of the total production cost for RDL during the last three fiscals. Main raw materials for manufacturing laminate i.e., base paper, kraft paper, phenol, formaldehyde, melamine, methanol and other allied chemicals are available locally; however, high-end and premium quality papers are imported. Methanol and Phenol being the primary chemical requirements, their availability and price have a significant impact on the operating margins of the company. Being a crude oil derivative the prices of both the products in international market are highly volatile. On the other hand, major raw materials for manufacturing MDF are wood, resin and wax. The wood panel-based industries are largely dependent on natural forests (generally eucalyptus, silver, oak, poplar etc) for their raw material requirements. Any short supply of wood may lead to rise in price of raw materials. Further, prices of a key chemical input witnessed sharp fluctuations in Q2FY26, impacting the company's profitability. However, pricing for this material softened in early Q3FY26.

- **Intense competition and cyclical nature of wood-panel industry**

The decorative laminate industry is highly competitive due to presence of many unorganized players along with large established players. Further, the industry is also exposed to threat from cheap imports from Thailand, Malaysia, Vietnam, and Indonesia. Moreover, the market is intensively competitive as larger players in the industry are quite aggressive to take part in the demand.

- **Exposure to foreign exchange fluctuation risk**

The company is exposed to foreign currency fluctuation risk due to its import/export transactions and borrowing in euro currency. To manage euro currency forex risk the company is commencing exports of Jumbo Laminates to Europe, with invoices denominated in euro. Besides, the company also plans to hedge near term Euro debt repayments through forward contracts. However, the timing difference of the exports and imports exposes the company towards volatile foreign currency movement.



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- **Working capital intensive nature of operations**

High working capital intensity marked by elongated operating cycle is inherent in the laminates and wood panel industry. The manufacturers need to maintain sufficient stock of various types of papers, chemicals, wood in raw material inventory. RDL generally maintain inventory of about 3-4 months to keep adequate stock imported raw materials such as decorative paper and chemicals which have a lead time ranging from two to six months from the date of placement of order. On the other hand, the company need to maintain sufficient finished stock inventory of its wide product array to respond market demands in a time bound manner. RDL generally allow a credit period of about 1-2 months. However, the company enjoys a credit period of about 2-3 months from its suppliers.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Policy on withdrawal of ratings](#)

Liquidity – Adequate

The liquidity position of the company remains adequate. Operations were impacted in Q1FY26 by a fire incident. However, this event is not expected to hinder the company's financial health, as operations normalized in Q2FY26 and adequate cash flow generation is anticipated to meet all repayment obligations. Further, the company has also created lien-marked Fixed deposits of Rs. 7.00 crore earmarked for repayments. Besides, RDL's average utilisation of working capital lines stood comfortable ~68% during the last 12 months ending September 2025 providing adequate liquidity buffer.

About the Company

Incorporated in 1993, RDL was promoted by Ahmedabad (Gujarat) based Thakkar family under the guidance of Mr. Ghanshyam Thakkar. The company is engaged in manufacturing



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of wide variety of Decorative and Industrial Laminated Sheets, Medium Density Boards (MDF) and wood-polyvinyl chloride (WPVC) Board in various varieties. RDL is listed on NSE and BSE. The company has an installed capacity of 34.92 lakh sheets per annum for laminates and additional 28 lakh sheets for jumbo laminates in Gujarat (Gandhinagar) and 330000 cubic metres (CBM) per annum for MDF at its manufacturing facilities located in Karnataka (Chikmagalur) and Andhra Pradesh. During FY18, RDL commissioned PVC manufacturing plant at its facility at Chikmagalur having a production capacity of 12,480 CBM. RDL has also set up a manufacturing facility at Vishakhapatnam, Andhra Pradesh for manufacturing thin and thick MDF boards with an installed capacity of 2,40,000 CBM, the commercial operations of started from March 05, 2021 onwards. RDL sells its products under its own brand name 'VIR LAMINATES' and 'VIR BOARDS' in the domestic and export markets. Exports contribute ~30-35% of its total revenue. RDL is currently managed by Mr Krupesh Thakkar, (Chairman) well supported by a team of experienced professionals.

Financials (Standalone):

For the year ended/ As on*	31-03-2024	31-03-2025	(Rs. crore) H1FY26
	Audited	Audited	Unaudited
Total Operating Income	843.97	891.34	410.53
EBITDA	119.93	105.33	21.07
PAT	43.11	48.30	-7.71
Total Debt	295.78	267.12	277.05
Adjusted Tangible Net Worth	518.83	607.83	-
EBITDA Margin (%)	14.21	11.82	5.13
PAT Margin (%)	5.09	5.34	-1.88
Overall Gearing Ratio (x)	0.57	0.44	0.44
Interest Coverage (x)	3.72	3.88	1.39

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil



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Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					Oct 17, 2024	Sep 21, 2023	Sep 13, 2022
1.	Term Loans**	LT	96.99	IVR A-/ Stable	IVR A-/ Stable	IVR A-/ Stable	IVR A-/ Stable
2.	Term Loan	LT	-	Withdrawn	IVR A-/ Stable	IVR A-/ Stable	IVR A-/ Stable
3.	Working capital Fund based*	LT	85.00	IVR A-/ Stable	IVR A-/ Stable	IVR A-/ Stable	IVR A-/ Stable
4.	Letter of Credit^	ST	44.00	IVR A2+	IVR A2+	IVR A2+	IVR A2+

* PC cum FBP/FBD of Rs. 36 crore; WCDL of Rs. 50 crore and PCFC/FCBP/FCBD of Rs. 15.00 crore are sub-limit

^Bank Guarantee of Rs.12 crore is a sub limit

**Outstanding as on 30.09.2025

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Private Limited] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.



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Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loans**	-	-	-	Dec 2031	96.99	IVR A-/ Stable
Fund based Working Capital*	-	-	-	-	85.00	IVR A-/ Stable
Letter of Credit^	-	-	-	-	44.00	IVR A2+

* PC cum FBP/FBD of Rs. 36 crore; WCDL of Rs. 50 crore and PCFC/FCBP/FCBD of Rs. 15.00 crore are sub-limit

^Bank Guarantee of Rs.12 crore is a sub limit

**Outstanding as on 30.09.2025

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/LEN_Rushil_Decor02_Jan26_029560c3eb.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com