

ANNUAL REPORT

2019-20

YUG CHALE YUGO TAK..



YUG DECOR LIMITED



Yug Chale Yugo Tak

YUG-COL ULTRA

It gives excellent bonding strength to wood joining. Its bond exhibits an outstanding heat and water resistant. It gives best performance on hot press application.

YUG-COL MARINE

It is ideal for area exposed to moisture and humidity like bathrooms, kitchens, ship building and coastal areas.

YUG-COL WOOD GLUE

It is used for all wood-working / furniture industry, plywood industry, handicraft industry, textile industry, paper and paper products.

BISON BOND

It is used in wood-working / furniture industry, handicraft industry, paper and paper products, textile industry and other allied industries and also for domestic household applications.



PREMIUM RANGE ADHESIVES



Yug Chale Yugo Tak



HEATPROOF ADHESIVE HEATPRO+

HEATPROOF ADHESIVE

Ideal for Vertical Lamination

Type of Adhesive - Synthetic Rubber Based Adhesive

Type of Industry - Furniture Industry and Footwear Industry

Usage - Fixing Laminate Sheets to Wood and Other Surfaces

NON - STAINING | QUICK DRYING | GOOD COVERAGE

ANNUAL REPORT 2019-20

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FOUNDER'S MESSAGE



Dear Valued Shareholders,

It gives me great pride to present to you the 17th Annual Report of 'YUG DECOR LIMITED' for the Financial Year 2019-20.

Financial Year 2019-20 was a rewarding year for the Company in spite of the intensifying competition and challenging market conditions which are normally prevalent in any business. By rendering the best of efforts to improve its performance, the Company has been able to steer itself back to the profitability position. As informed to you all earlier, through the previous years' Annual Report, that the Company had decided to dwell upon the Adhesive business only for the time being. This strategic move of shifting the market focus, substantially to the adhesives business has also paid off. A growth of 8.09% in the adhesive business in the reporting year is evident to the judicious decision made by the Company in a timely manner.

There couldn't have been a more momentous occasion for the Board of Directors of the Company to recommend for your approval, dividend of ₹ 1.40/- per share (14% of the face value of ₹ 10/-), for the first time in the history of Yug Decor. A remarkable feat indeed, that was made possible only by the sheer hard work and belief of our management team.

Currently, we are in the midst of some exceptional and unprecedented times. COVID-19 has posed challenges across the globe and disrupted our lives like never before. We have entered to the new fiscal year at a time when there is massive economic downturn and the next few months will be difficult for everyone, individuals as well as organisations. But I want to assure you that even in these uncertain times your Company has been taking all the measures to successfully mitigate risks and navigate businesses to sustain its performance while taking care of its employees, our assets and our stakeholders and customers in a strong unfaltering manner. I am confident that together, we shall come out of these unfavourable circumstances and strive to achieve higher goals.

Before closing, I would like to thank our management team and our employees for their hard work and contribution. Their support is the cornerstone of our achievements. I would also like to take this opportunity to express my gratitude to our suppliers, customers, our bankers, government authorities and to you, our shareholders, for the unwavering trust and support reposed in us. We will be delighted if you continue accompanying us in our journey as we work towards building the Yug Decor of tomorrow.

Regards,

A handwritten signature in blue ink, appearing to read 'Santoshkumar R. Saraswat'.

Santoshkumar R. Saraswat
Founder & Director



OVERVIEW

17
Years of Excellence



Yug Decor Limited is a young and dynamic organization manufacturing different kind of adhesives- synthetic binders, synthetic rubber adhesives, synthetic resin adhesives, natural rubber adhesives, footwear adhesives under the brand name of '**Yug-Col**'.

*Yug
Designs*

The company leads the vision being the forerunner of inspiring decor and partnering with consumers to transform their living space through an interior design book of interior designers and architects, which can help them in either hiring their services or getting inspiration from them about their design concept. This concept is being presented under the brand name of '**Yug-Designs**'.

INFRASTRUCTURE & MANUFACTURING UNIT

INFRASTRUCTURE :

Yug Decor Limited - Registered Office is located in Ahmedabad, Gujarat.

MANUFACTURING UNIT :

Our manufacturing facility is located in SANTEJ, near Ahmedabad, Western India and is equipped with Hi Tech process and Quality Control equipments.

We are confident of maintaining our record of past achievement in newer areas with innovative solutions for our customers, by thoroughly understanding the specific applications and carefully engineering the product to suit them.



VISION MISSION AND VALUES

OUR VISION

We are committed to producing high quality products and providing high quality service thus setting high industry standards for other competitors.

OUR MISSION

Actively partner with our customers to provide innovative and sustainable technical solutions to help them increase productivity, reduce costs and minimize risks.

OUR VALUES

It is a continuous learning organization, and believes in sharing knowledge.

Focus on customer's need.

Provide quality products and services.

Conduct business with integrity and fairness.

Continually train our employees and improve our processes.

Reward employees on merit and promote teamwork.

Maintain safe and healthy working environment.

ETHICAL AND SOCIAL RESPONSIBILITY

Society in General

We recognize its responsibility towards society and obligations towards environment protection. It treats this at par with concern management practices in accordance with government regulation and international practices.

Employees

Ethical responsibility towards employees shall be discharged on the following guidelines

- Uphold egalitarian values at work
- High concern for health and family life
- Balance between work and family life
- Provide growth opportunities by enhancing knowledge and training

Government

We believe that the regulations implemented by the Government are in the best interest of the country and therefore we will fulfill our obligation towards the nation by Abiding by the law of the land paying taxes and dues fully timely and honest.

Business Associates

We believe in nurturing relationship with customers, vendors bankers, shareholders, creditors, channel partners, etc. based on partnership and win-win approach.

Quality Policy

Our Company strives to develop products through extensive Research Development teamwork and leadership efforts with a common goal of achieving TOTAL CUSTOMER SATISFACTION. Sharing in line with the above belief and commitment we shall endeavor:

To create value for customers , employees and shareholders by producing quality products at the lowest cost by employing standard operational procedure and continuous improvement techniques.



Yug Chale Yugo Tak

SYNTHETIC RESIN ADHESIVES

				
YUG-COL ULTRA	YUG-COL	YUG-COL WOOD GLUE	GOOD BOND	BISON BOND
				
SUPER JOR	BLUE BOND	PVC BOND	BANDHAN BOND	FIXOL

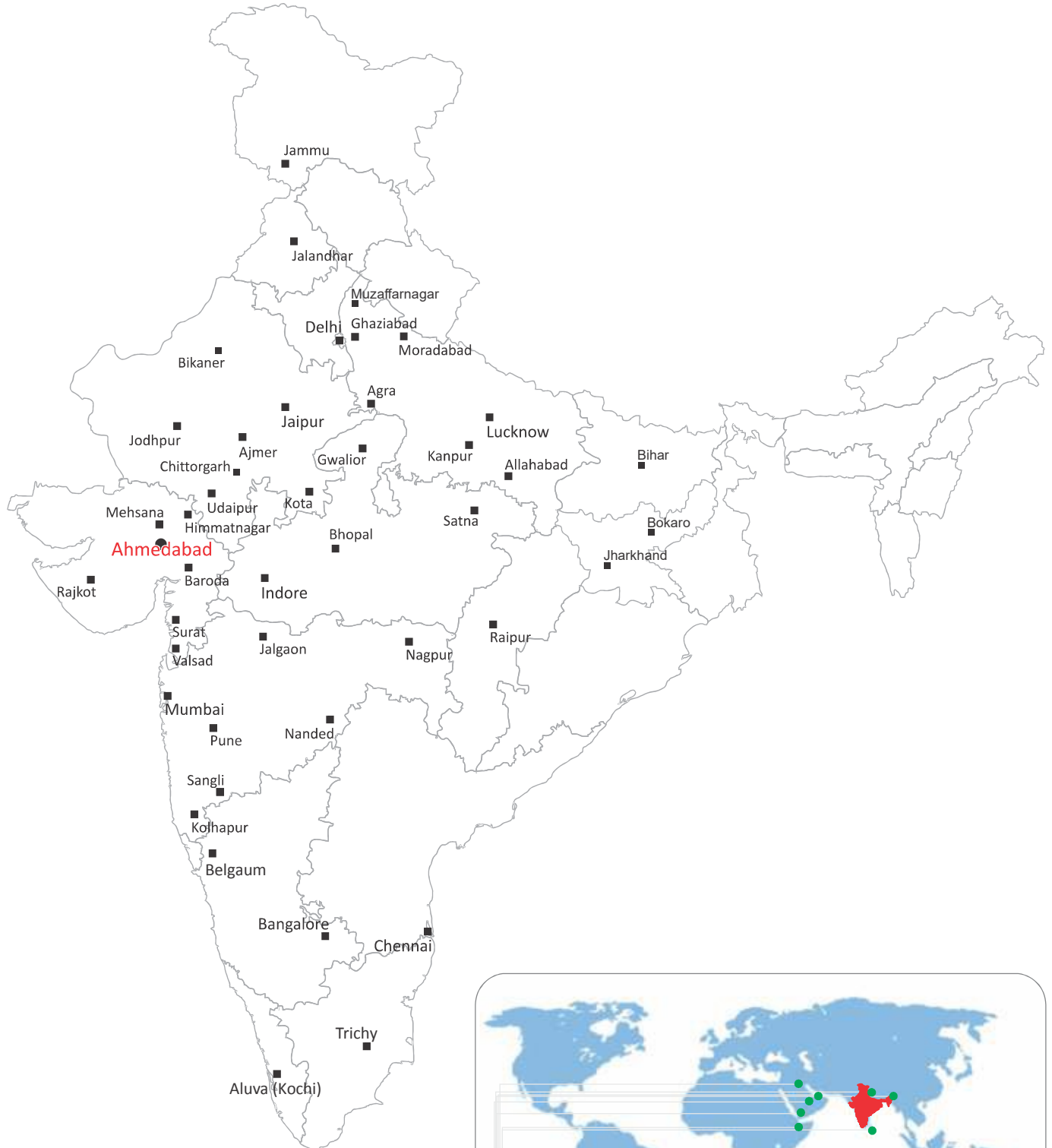
SYNTHETIC RUBBER ADHESIVES

				
SR-99	SR-55	SR-44	SPRAY ADHESIVE	HEATPRO+

FOOTWEAR ADHESIVES

			
PU-2032	PU-2012	PU-2009	NR-107

OUR PRESENCE



Overseas Network

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Chandresh S. Saraswat (DIN: 01475370)	Chairman & Managing Director
Ms. Ankita Chandresh Saraswat (DIN: 05342198)	Whole Time Director
Mr. Santosh Kumar Saraswat (DIN: 00236008)	Non-Executive Director
Mr. Abhay Rameshchandra Shrivastava (DIN: 07719944)	Independent Director
Ms. Zarna Shah (DIN: 08805309) (Appointed w.e.f. 8 th August, 2020)	Additional (Independent) Director
Mr. Sunil Thakore (DIN: 08013740) (Resignation w.e.f. 31 st August, 2020)	Independent Director



Mr. Chandresh S. Saraswat
Chairman & Managing Director

Educational Qualification | B.A, P.G.D.M.

Mr. Chandresh Santosh Kumar Saraswat, aged 54 years, is the Managing Director of the company. He has completed his Bachelor of Arts from Rajasthan University. He has more than 34 years of experience in the field of marketing with the different companies engaged in the business of timber, ply-boards and FMCG. He joined Yug Decor Limited in the year 2007 as Managing Director of the company. He is the driving force for the uninterrupted growth and reputation of the company. He looks after the overall management, procurement of raw material, marketing, production and sales of products of the company.



Ms. Ankita Chandresh Saraswat
Whole-Time Director

Educational Qualification | M.B.A

Ms. Ankita Chandresh Saraswat, aged 29 years, is the Whole-Time Director of the Company. She has completed her M.B.A from Amity University, in the stream of Marketing and Human Resources. She joined Yug Decor Limited and taking utmost care of human resource activities in the organization. With her management skills, she manages the brand of the Company as well as she generates the new customers and maintain the relationship with old customers of the Company.



Mr. Santosh Kumar Saraswat
Non Executive Director

Educational Qualification	Diploma in Mechanical Engineering
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Mr. Santosh Kumar Saraswat, aged 79 years, is the Non Executive Director of the Company. He has completed his Diploma in Mechanical Engineering from Aligarh University. He is an Indian Railway Service of Signal Engineers - Retired (IRSSE-Retd.) person. He has more than 17 years of Experience in the Field of Chemical and Adhesive Industry. He is the founder-Director of the Company- "Yug Decor Private Limited" incorporated in the year 2003 (Now "Yug Decor Limited"), at which he started the business of Adhesive and Laminates.

Mr. Abhay Shrivastava
Independent Director

Educational Qualification	B. Sc., Master in Marketing Management
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Mr. Abhay Shrivastava, aged 57 years, is an Independent Director of our company. He has completed his Bachelor's in science stream and Master's in marketing management from the University of Bombay. He has an extensive knowledge and expertise of Indian market and consumers, for cross-section of the Industries and product categories. He has more than three decades of experience in the corporate world in the areas of brand management, sales, strategy, product re-engineering, value engineering, human resources, production, general management, channel design & developments, media planning & training, MIS and, market research. He has worked with the leading MNC'S and domestic organizations. At present he is working with the Solutions Management Consultant as a Senior Consultant.

Ms. Zarna Shah
Additional (Independent) Director

Educational Qualification	Graduate in Computer Engineering
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Ms. Zarna Shah, aged 25 years, is an Additional Director (Independent Director Category) of our Company. She has completed her Graduation in Computer Engineering from Gujarat Technical University. She is an Entrepreneur at ZS Creation having more than 2 years of experience in Designing & Marketing.

MANAGEMENT TEAM

Mr. Lokeshkumar Edival

Chief Financial Officer

Ms. Barkha Lakhani

Company Secretary & Compliance Officer

BOARD COMMITTEES

BOARD COMMITTEES COMPOSITION

1. Audit Committee

Name of the Director	Designation	Nature of Directorship
Mr. Abhay Shrivastava	Chairman	Independent Non-Executive Director
Mr. Santosh Kumar Saraswat	Member	Non-Executive Director
Ms. Zarna Shah (Designated as member w.e.f. 8 th August, 2020)	Member	Additional (Independent) Director
Mr. Sunil Thakore (Ceased as member w.e.f. 8 th August, 2020)	Member	Independent Non-Executive Director

2. Nomination and Remuneration Committee

Name of the Director	Designation	Nature of Directorship
Mr. Abhay Shrivastava	Chairman	Independent Non-Executive Director
Mr. Santosh Kumar Saraswat	Member	Non-Executive Director
Ms. Zarna Shah (Designated as member w.e.f. 8 th August, 2020)	Member	Additional (Independent) Director
Mr. Sunil Thakore (Ceased as member w.e.f. 8 th August, 2020)	Member	Independent Non-Executive Director

3. Stakeholder Relationships Committee

Name of the Director	Designation	Nature of Directorship
Mr. Abhay Shrivastava	Chairman	Independent Non-Executive Director
Mr. Santosh Kumar Saraswat	Member	Non-Executive Director
Ms. Zarna Shah (Designated as member w.e.f. 8 th August, 2020)	Member	Additional (Independent) Director
Mr. Sunil Thakore (Ceased as member w.e.f. 8 th August, 2020)	Member	Independent Non-Executive Director

GENERAL INFORMATION

BANKERS :

1. ALLAHABAD BANK

Bhagwati Chamber's, Opp. Gujarat Vidyapith,
Ashram Road, Ahmedabad - 380014.

2. ICICI BANK

JMC House, Opp. Parimal Garden,
Ambavadi, Ahmedabad - 380006.

REGISTRAR AND SHARE TRANSFER AGENT :

Satellite Corporate Services Private Limited
Unit No. 49, Building No. 13 AB, 2nd Floor, Samhita Commercial Co-Operative Society Ltd.,
Off Andheri Kurla Road, MTNL Lane, Sakinaka, Mumbai - 400 072.
Tel: +91-22- 28520461/462
Fax : +91-22-28511809
Email : service@satellitecorporate.com
Website : www.satellitecorporate.com

REGISTERED OFFICE :

709-714, Sakar- V, B/h. Natraj Cinema, Ashram Road, Ahmedabad - 380 009, Gujarat, India.
Tel: 079 - 26580920 / 48955109
Email Id: account@yugdecor.com
Website : www.yugdecor.com

STATUTORY AUDITORS :

M/s. PANKAJ K SHAH ASSOCIATES
Chartered Accountants
Ahmedabad

SECRETARIAL AUDITOR :

M/s Mukesh Pamnani & Associates
Company Secretaries
Ahmedabad

FACTORY ADDRESS :

Unit-1 : Plot No. 832, Kothari Estate, Near Kothari Cross Road, Vil- Santej, Tal- Kalol, Dist- Gandhinagar- 382 721, Gujarat, India.
Unit-2 : Plot No. 734/3, Opp. Nilkanth Hotel, Rakanpur, Vil-Santej, Tal-Kalol, Dist- Gandhinagar-382 721 Gujarat, India.

OTHER DETAILS :

Listed at : BSE SME Platform
ISIN : INE796W01019
CIN : L24295GJ2003PLC042531



NOTICE

NOTICE is hereby given that the 17th Annual General Meeting ('AGM') of the members of **YUG DECOR LIMITED** will be held on Friday, 11th September, 2020 at 12:00 Noon through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following business:

ORDINARY BUSINESS:-

1. ADOPTION OF FINANCIAL STATEMENTS:

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March, 2020 together with the Board's Report and Report of Auditors thereon.

2. DECLARATION OF FINAL DIVIDEND:

To declare a Final Dividend of ₹ 1.40/- per equity share of ₹ 10/- each for the financial year ended 31st March, 2020.

3. APPOINTMENT OF DIRECTOR LIABLE TO RETIRE BY ROTATION:

To appoint a director in place of Mr. Santosh Kumar Saraswat (DIN: 00236008), Non-Executive Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:-

4. APPOINTMENT OF MS. ZARNA SHAH (DIN:08805309) AS THE INDEPENDENT DIRECTOR OF THE COMPANY:

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the 'Act') and 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), Ms. Zarna Shah (DIN: 08805309), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 8th August, 2020 pursuant to provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and who has submitted a declaration that she meets the criteria for independence as provided in the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the Company, who shall not be liable to retire by rotation, to hold office for a period of 1 (one) year with effect from 11th September, 2020 to 11th September, 2021.”

By Order of the Board of Directors
For, **YUG DECOR LIMITED**

Date: 8th August, 2020

Registered Office:

709-714, Sakar- V, B/h Natraj Cinema,
Ashram Road, Ahmedabad- 380 009,
Gujarat, India

Chandresh S. Saraswat
Chairman & Managing Director
DIN: 01475370

NOTES:

1. In view of the outbreak of the COVID-19 pandemic and to adhere to the social distancing norms also, continuing to follow the restrictions on movement /gathering of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8thApril 2020, 13thApril 2020 and 5th May 2020, respectively, issued by the Ministry of Corporate Affairs ('MCA Circulars') and Circular No. SEBI/HO/CFD/CMD1/CIR /P/2020/79 dated 12thMay 2020 issued by the Securities and Exchange Board of India ('SEBI Circular') and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the 17thAGM of the Company will be conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the 17thAGM shall be the Registered Office of the Company.
2. As per the instructions provided by the Ministry on holding the meetings through VC or OAVM vide circular no. 14/2020 and 20/2020 dated 8thApril, 2020 and 5th May, 2020 respectively, the facility for appointment of proxies by the members under Section 105 is not available for the 17th AGM and hence the proxy form and attendance slip is not annexed to the Notice.
3. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the Board resolution / authorization letter to the Company at cs@yugdecor.com or to the scrutinizers of the Company at mukeshpamnani23@gmail.com or upload on the VC portal / e-voting portal.
4. Participation of Members through VC/ OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013 ('the Act').
5. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12thMay, 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 calling AGM along with the explanatory statement and Annual Report 2019-20 will be available on the website of the Company at www.yugdecor.com, websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com, and on the website of Central Depository Services (India) Limited (CDSL) i.e. www.evotingindia.com (the Authorised agency for providing voting through electronic means and AGM through VC/OAVM).
6. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the special business under Item no 4 of the Notice and the relevant details of the Directors seeking appointment/ re-appointment as set out under Item No. 3 & 4 as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Requirements, 2015 and under Secretarial Standards-2 (SS-2) on General Meetings issued by the Institute of Company Secretaries of India are annexed hereto.
7. In terms of the provisions of Section 152 of the Companies Act, 2013, Mr. Santosh Kumar Saraswat (DIN:00236008), Non-Executive Director of the Company retires by rotation at forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.
8. The requirement to place the matter relating to the appointment of Auditors for ratification by Members at every Annual General Meeting has been done away with vide notification no. GSR 432(E) dated 7th May, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed from the conclusion of the 16thAnnual General Meeting, held on 20th September, 2019.
9. The Register of Members and Share Transfer Books of the Company shall remain closed from **Saturday, 5th September, 2020 to Friday, 11th September, 2020** (Both days inclusive).
10. The shareholders whose name appear in the records of National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as beneficial owners at the close of **Friday, 4th September, 2020** shall be entitled to the payment of Dividend, if declared at the 17th AGM. The Dividend shall be paid on or after 14th September, 2020 but within the statutory time limit of 30 days from the date of declaration as provided under the Companies Act, 2013 read with rules framed there under.
11. The dividend if declared will be paid electronically through various online transfer modes to those members who have updated their bank accounts details. For members who have not updated their bank details, dividend warrants / cheques will be sent to their registered addresses once the postal facility normalizes. To avoid

delay in receiving the dividend, members are requested to update their bank details with their depository Participants to receive the dividend directly into their bank account on the payout date.

12. Pursuant to provisions of the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to the Shareholders, at the rates prescribed.

A resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to account@yugdecor.com by 11:59 p.m. IST on Friday, 4th September, 2020 Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to account@yugdecor.com. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on Friday, 4th September, 2020.

13. The Company shall arrange to email soft copy of the TDS Certificate at the registered email address of the members, post payment of the dividend. The members may also view the credit of TDS/ withholding tax in Form 26AS, which can be downloaded from their e-filing account at <https://www.incometaxindiaefiling.gov.in/>
14. The Company is proposing to declare Dividend for the first time, hence currently there is no unclaimed/ unpaid dividend lying in the 'Unpaid Dividend' account. Above proposed dividend, if declared, the Company is required to transfer dividends which remain unclaimed/ unpaid, if any, for a period of seven years in the 'Unpaid Dividend' account to the Investor Education & Protection Fund (IEPF) established by the Government.
15. 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 their Depository Participants with whom they are maintaining their Demat accounts.
16. Members holding shares in Demat form are requested to notify any changes in their Addresses with their Depository Participants.
17. To support the 'Green Initiative' Members who have not yet registered their mail addresses are requested to register the same with their Depository Participants.
18. All documents referred to in the accompanying notice and explanatory statement will be kept open for inspection at the Registered Office of Company on all working days during business hours prior to date of Annual General Meeting.
19. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the meeting.
20. Non-Resident Indian Members are requested to inform Registrar and Transfer Agent, immediately of:
 - i. Change in their residential status on return to India for permanent settlement.
 - ii. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
21. Since the AGM will be held through VC / OAVM, the Route Map of the AGM venue is not annexed to this Notice.
22. **Process and manner for members opting for voting through Electronic means:**
 - i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

- ii. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system through remote e-voting services provided by Central Depository Services (India) Limited (CDSL) from a place other than the venue of the Meeting.
- iii. 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.
- iv. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on Tuesday, 8th September, 2020 at 9.00 A.M. and ends on Thursday, 10th September, 2020 at 5.00 P.M. During this period shareholders of the Company, holding shares as on the cut-off date (record date) of Friday, 4th September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on “Shareholders” module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL’s EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL’s EASI/EASIEST e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company / RTA or contact Company / RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. · If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Yug Decor Limited> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

Shareholders who have not registered their email ids are requested to get it registered with their respective Depository Participants (DP). Or kindly provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to M/s Satellite Corporate Services Private Limited, Registrar and Share Transfer Agent at service@satellitecorporate.com / Company at cs@yugdecor.com

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the below instructions. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis. The Members will be able to view the proceedings by logging into the Central Depository Services (India) Limited's ('CDSL') e-Voting website at www.evotingindia.com

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, Demat account number/ folio number, email id, mobile number at cs@yugdecor.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, Demat account number/ folio number, email id, mobile number at cs@yugdecor.com. These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted 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 available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; mukeshpamnani23@gmail.com and cs@yugdecor.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- v. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
- vi. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/ 43.
- vii. The Company has appointed Mr. Mukesh Pamnani, Proprietor of M/s Mukesh Pamnani & Associates, Practising Company Secretaries, Ahmedabad (Membership No. FCS: 10166; CP No: 12925), to act as the Scrutinizer for conducting the remote e-voting process and voting at the AGM in a fair and transparent manner.
- viii. The Scrutinizer shall, immediately after the conclusion of voting at AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in employment of the Company and make, not later than two days from the conclusion of 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. Thereafter, the Chairman or the person authorised by him in writing shall declare the result of the voting forthwith.
- ix. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.yugdecor.com and on the website of CDSL at www.evotingindia.com immediately after the result is declared by the Chairman; and results shall immediately be disseminated to the Stock Exchange where the shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4:

The Board of Directors appointed Ms. Zarna Shah (DIN: 08805309) as an Additional Director of the Company at its meeting held on 8th August, 2020 in compliance with the requirements of Section 161(1) of the Companies Act, 2013.

As per section 160 of the Companies Act, 2013, a special notice has been received from one of the shareholders of the Company proposing name of Ms. Zarna Shah (DIN: 08805309) as an Independent Director of the Company and who shall not be liable to retire by rotation.

The Nominations & Remuneration Committee has recommended the appointment of Ms. Zarna Shah (DIN: 08805309) as an Independent Director of the Company and has given (a) consent in writing to act as director in Form DIR-2 pursuant to rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (b) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 and (c) declaration to the Board that she meets the criteria of independence as provided under section 149(6) of the Act.

In the opinion of the Board, Ms. Zarna Shah (DIN: 08805309) fulfill the conditions as specified in the Act and the Rules framed thereunder for appointment of an Independent Director. In compliance with the provisions of section 149 read with Schedule IV of the Act, the business of appointment of Ms. Zarna Shah (DIN: 08805309) as an Independent Director is being placed before the Members for their approval.

The terms and conditions of appointment of Ms. Zarna Shah (DIN: 08805309) shall be available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

Ms. Zarna Shah (DIN: 08805309) is interested in this resolution since it relates to her appointment as an Independent Director of the Company.

Except this, no other Director or Key Managerial Personnel or their relatives are concerned or interested in this resolution, financially or otherwise.

The details of Ms. Zarna Shah as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 (SS-2) on General Meetings issued by the Institute of Company Secretaries of India (ICSI) are provided in Annexure to this Notice.

The Directors recommend this resolution to be passed as Ordinary Resolution.

By Order of the Board of Directors
For, YUG DECOR LIMITED

Date: 8th August, 2020

Registered Office:

709-714, Sakar- V, B/h Natraj Cinema,
Ashram Road, Ahmedabad- 380 009,
Gujarat, India

Chandresh S. Saraswat
Chairman & Managing Director
DIN: 01475370

ANNEXURE OF THE NOTICE

As per the requirement of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2), details including the profile of Directors seeking re-appointment due to retirement by rotation, appointment of Independent Director, is given below:

Name of Director	Santosh Kumar Saraswat, Non-Executive Director DIN: 00236008	Zarna Shah*, Additional Director (Independent Director Category) DIN: 08805309
Date of Birth / Age	01-07-1941 (79 Years)	11-12-1994 (25 Years)
Date of First Appointment	23-06-2003	08-08-2020
Qualification	Diploma in Mechanical Engineering	Graduation in Computer Engineering
Terms and Conditions of appointment or re-appointment	Letter of Appointment	Letter of Appointment
Expertise in Specific functional areas	Production, Marketing, Sales & Management	Designing & Marketing
Number of shares held in the Company (As on 31-03-2020)	535735 Equity Shares	4000 Equity Shares
Past Remuneration	Sitting Fees only	-
Remuneration Proposed	Sitting Fees only	Sitting Fees only
List of other Companies in which Directorships are held	NIL	NIL
Memberships/ Chairpersonships of committees of other Board	NIL	NIL
No. of Board Meetings attended during the year 2019-20	4/4	-
Relationship with other Directors/ Manager and other Key Managerial Personnel	Father of Mr. Chandresh S. Saraswat, Chairman & Managing Director of the Company and Grandfather of Ms. Ankita Saraswat, Whole time Director of the Company.	None

*Appointed as an Additional Director (Independent Director Category) w.e.f. 8th August, 2020

BOARD'S REPORT

To,

The Members,

Your Directors are pleased to present the 17th Annual Report of the Company along with the Audited Financial Statements for the financial year ended on 31st March, 2020.

FINANCIAL HIGHLIGHTS:

The brief Financial Results are as under:

(Amount in ₹)

Particulars	31/03/2020	31/03/2019
Net Revenue from operations	17,39,51,226	17,05,70,681
Add: Other Income	2,69,145	63,235
Total Revenue	17,42,20,371	17,06,33,916
Expenditure	15,84,00,311	16,94,15,818
Profit/ (Loss) before Finance Cost, Depreciation & Amortization and Tax Expenses	1,58,20,060	12,18,098
Less: Finance Cost	26,33,200	37,71,835
Less: Depreciation & Amortization	51,22,379	52,33,444
Profit/ (Loss) Before Tax	80,64,482	(77,87,181)
Less: Taxation		
i) Current Tax	6,04,630	-
ii) Deferred Tax	15,09,964	(20,23,551)
Total Tax (i+ii)	21,14,594	(20,23,551)
Profit/ (Loss) after Tax	59,49,888	(57,63,630)
Add: Balance brought forward from previous year	20,27,655	77,91,285
Total amount available for appropriation	79,77,543	20,27,655
Less: Proposed Equity Dividend	58,37,672	-
Balance carried forward to next year's accounts	21,39,870	20,27,655

Note: The above figures are extracted from the financial statements.

OVERVIEW OF COMPANY'S PERFORMANCE:

The Key points pertaining to the business of the Company for the year 2019-20 and period preceding thereto have been given hereunder:

- The Total revenue of the Company during the financial year 2019-20 was ₹ 17,42,20,371/- against the total revenue of ₹ 17,06,33,916/- in the previous financial year 2018-19.
- The Total expenses of the Company during the financial year 2019-20 was ₹ 5,84,00,311/- against the expenses of ₹ 16,94,15,818/- in the previous financial year 2018-19.
- The Profit after tax was ₹ 59,49,888/- for the financial year 2019-20 as compared to the Loss after tax of ₹ 57,63,630/- in the previous financial year 2018-19.

The turnaround position of profitability is assignable to the increase in revenue, raw material cost optimization and reduction in finance cost.

CAPITAL STRUCTURE:

The Authorized Share Capital of the Company is ₹ 4,25,00,000/- (Rupees Four Crore Twenty Five lakh only) divided into ₹ 42,50,000 (Forty Two Lakh Fifty Thousand) equity shares of ₹ 10/- each.

The Paid up Share capital of the Company at the end of financial year was ₹ 4,16,97,660/- (Rupees Four Crore Sixteen Lakh Ninety Seven Thousand Six hundred Sixty Only) divided into ₹ 41,69,766 (Forty One Lakh Sixty Nine Thousand Seven Hundred Sixty Six) equity shares of ₹ 10/- each.

There was no change in the share capital of the Company during the year under review.

DIVIDEND:

Your Directors are pleased to recommend a dividend of ₹ 1.40/- (i.e. 14%) per equity share of ₹ 10/- each on 4169766 equity shares for the year ended 31st March, 2020, aggregating to ₹ 58.38 Lakhs, payable to those Shareholders whose names appear in the list of beneficial owners maintained by Depositories (CDSL & NSDL) as on the Book Closure/ Record Date. This proposed Dividend, for the very first time in the history of Yug Decor Limited, reflects its strong performance and commitment. There is no dividend distribution tax applicable on the Dividend payable. However, pursuant to the provisions of the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to the shareholders, at the rate prescribed.

TRANSFER TO RESERVES:

The Board of Directors of the Company has decided not to transfer any amount to the Reserve for the Financial Year ended March 31, 2020.

CHANGE IN NATURE OF BUSINESS:

During the year under review, there has not been any change in the nature of its principal business of adhesives. However, the company had discontinued one of its business line i.e. paints division w.e.f. the closing of working hours of 17th May, 2019, on account of high operative cost followed by lack of market demand and such other factors.

MAINTAINANCE OF COST RECORDS:

The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

SUBSIDIARY, ASSOCIATE OR JOINT VENTURE COMPANY:

The Company does not have any subsidiary, Associate or joint venture company.

STATE OF COMPANY AFFAIRS:

The state of your Company's affairs is given under the heading 'Financial Highlights', Overview of Company's Performance' and various other headings in this Report and the Management Discussion and Analysis Report, which forms part of the Annual Report.

COVID-19 AND ITS IMPACT:

During the year under review, the performance of the Company has shown upward trend in terms of both revenue generation and profitability as against the loss faced by the Company in the previous year. Furthermore, due to the lockdown imposed by the Government as a result of COVID-19 pandemic outbreak, the Company had to temporarily suspend its production activities at the factory units of the Company w.e.f. 24th March, 2020. After having received requisite permission from concerned Local regulatory authorities, the Company partially resumed its production activities w.e.f. 24th April, 2020 with limited manpower. Also the administrative office of the Company started operating w.e.f. 19th May, 2020 with limited staff. The Company is getting back to its normal state of affairs since the month of June, 2020 following the health and safety norms laid down by the Government.

As a consequence of lockdown, the Company had to close its financial year with a turnover somewhat below Management's expectations. Talking about the current scenario, the economic situation is unprecedented. As ramification of which there could be certain bearings on the Company's performance also in the near future. However sincere efforts are being made to ensure optimum results are achieved during these adverse times, while

continuing to adhere to the restrictions imposed by the authorities in the direction of curbing the spread of the global pandemic.

APPOINTMENT AND RESIGNATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of Section 152(6) of the Companies Act and Articles of Association, Mr. Santosh Kumar Saraswat (DIN:00236008), Non-Executive Director of the Company, shall retire by rotation and being eligible offers himself for reappointment at the ensuing Annual General Meeting of the Company.

In the opinion of the Board, Mr. Sunil Thakore, Independent Director of the Company who was reappointed by the Shareholders of the Company for his second term of 1 year w.e.f. 1st September, 2019, is a person of integrity, expert and experienced (including the proficiency).

He ceases to be the Independent Director on 31st August, 2020. The Board places on record its deep sense of gratitude and appreciation for his contribution and guidance provided during his tenure as an Independent Director of the Company.

Upon recommendation of Nomination & Remuneration Committee, Ms. Zarna Shah (DIN: 08805309) was appointed as the Additional Director (Independent Director Category) of the Company in their Board Meeting held on Saturday, 8th August, 2020 w.e.f. 8th August, 2020 till the date of ensuing Annual General Meeting.

The business of appointment of Ms. Zarna Shah (DIN: 08805309) as an Independent Director of the Company, not liable to retire by rotation, for a period of 1 (one) year w.e.f. the ensuing AGM i.e. 11th September, 2020 is being placed before the Members for their approval.

MEETINGS OF THE BOARD OF DIRECTORS:

The Management is completely focused for the growth and expansion of the Company; it is constantly striving to develop new horizons for increasing overall performance of the Company. It is further working towards increasing sales and reducing costs by making optimum utilization of resources.

The Board met **4 times** during the year on 17th May, 2019, 10th August, 2019, 13th November, 2019 and 14th February, 2020 in respect of which proper notices were given and the proceedings were properly recorded, signed and maintained in the Minutes book kept by the Company for the purpose. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Name of Directors	Category	Number of Meetings Attended / Total Meetings held during the FY 2019-20	Attendance at the last AGM held on 20 th September, 2019
Mr. Chandresh Saraswat	Chairman & Managing Director	4/4	Yes
Ms. Ankita Chandresh Saraswat	Whole time Director	4/4	Yes
Mr. Santosh Kumar Saraswat	Non-Executive Director	4/4	Yes
Mr. Abhay Rameshchandra Shrivastava	Independent Director	4/4	Yes
Mr. Sunil Thakore*	Independent Director	4 /4	Yes
Ms. Zarna Shah#	Additional Director (Independent Director Category)	-	-

*Ceases to be the Independent Director w.e.f. 31st August, 2020

#Appointed as an Additional Director (Independent Director Category) w.e.f. 8th August, 2020

MEETING OF MEMBERS:

During the year under review, 16th Annual General Meeting was held on Friday, 20th September, 2019. No Extra Ordinary General Meeting (EGM) was held during the year.

COMMITTEES OF THE BOARD:

Committees appointed by the Board focus on specific areas and take informed decisions within the framework of delegated authority, and make specific recommendations to the Board on matters in their areas or purview. All decisions and recommendations of the committees are placed before the Board for information or for approval. The Company has duly constituted the following mandatory Committees in terms of the provisions of the Companies Act, 2013 read with rules framed thereunder viz.

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship Committee.

The major terms of reference of the Committee, its composition and number of meetings held during the year are as given below:

1. AUDIT COMMITTEE:

a) The major terms of reference of the Audit Committee include:

- Examination of Financial Statements and Auditor's Report thereon;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Evaluation of internal financial controls and risk management systems;
- Approval or modifications of related party transactions;
- Review functioning of the Whistle Blower mechanism;
- Scrutiny of inter-corporate loans and investments.

b) Composition of Audit Committee as on the date of the report:

Sr. No.	Name of the Director	Status in Committee	Nature of Directorship	Total Meetings Attended/ Total Meetings Held during the F.Y. 2019-20
1.	Mr. Abhay Shrivastava	Chairman	Independent Non-Executive Director	2/2
2.	Mr. Santosh Kumar Saraswat	Member	Non-Executive Director	2/2
3.	Mr. Sunil Thakore*	Member	Independent Non-Executive Director	2/2
4.	Ms. Zarna Shah [#]	Member	Additional Director (Independent Director Category)	-

*ceases to be a member w.e.f. 8th August, 2020

[#]designated as a member w.e.f. 8th August, 2020

c) Number of Meetings held during the year:

Audit Committee met 2 times during the year under review on 17th May, 2019 and 13th November, 2019. All the recommendations made by the Committee during the year were accepted by the Board.

2. NOMINATION & REMUNERATION COMMITTEE:

a) The major terms of reference of the Nomination & Remuneration Committee include:

- Identification of persons qualified to become directors and be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- Specifying the manner for effective evaluation of performance of Board, its committees and individual directors;
- Recommending to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

b) Composition of Nomination & Remuneration Committee as on the date of the report:

Sr. No.	Name of the Director	Status in Committee	Nature of Directorship	Total Meetings Attended/ Total Meetings Held during the F.Y. 2019-20
1.	Mr. Abhay Shrivastava	Chairman	Independent Non-Executive Director	1/1
2.	Mr. Santosh Kumar Saraswat	Member	Non-Executive Director	1/1
3.	Mr. Sunil Thakore*	Member	Independent Non-Executive Director	1/1
4.	Ms. Zarna Shah [#]	Member	Additional Director (Independent Director Category)	-

* ceases to be a member w.e.f. 8th August, 2020

[#] designated as a member w.e.f. 8th August, 2020

c) Number of Meetings held during the year:

Nomination & Remuneration Committee met once during the year under review on 10th August, 2019. All the recommendations made by the Committee during the year were accepted by the Board.

d) Nomination & Remuneration Policy:

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a Policy for selection, appointment and remuneration of Directors and Key Managerial Personnel, including criteria for determining qualifications, positive attributes and independence of Directors.

The policy has been uploaded on the website of the Company at

<http://yugdecor.com/wp-content/uploads/2019/06/Nomination-and-Remuneration-Policy.pdf>

3. STAKEHOLDERS RELATIONSHIP COMMITTEE:

a) The major terms of reference of the Stakeholders Relationship Committee include:

- Consideration & Resolution of the grievances of security holders of the Company;
- Reviewing of Transfer / Transmission requests / Demat / Remat requests of the security shareholders and issuance of duplicate share certificate, if any.

b) Composition of Stakeholders Relationship Committee as on the date of the report:

Sr. No.	Name of the Director	Status in Committee	Nature of Directorship	Total Meetings Attended/ Total Meetings Held during the F.Y. 2019-20
1.	Mr. Abhay Shrivastava	Chairman	Independent Non-Executive Director	4/4
2.	Mr. Santosh Kumar Saraswat	Member	Non-Executive Director	4/4
3.	Mr. Sunil Thakore*	Member	Independent Non-Executive Director	4/4
4.	Ms. Zarna Shah [#]	Member	Additional Director (Independent Director Category)	-

*ceases to be a member w.e.f. 8th August, 2020

[#]designated as a member w.e.f. 8th August, 2020

c) Number of Meetings held during the year:

Stakeholders Relationship Committee met 4 times during the year under review on 17th May, 2019, 10th August, 2019, 13th November, 2019 and 14th February, 2020.

INDEPENDENT DIRECTORS' MEETING:

The Independent Directors met on 14th February, 2020, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairman of the Company, taking into account the views of Executive Director and Non- Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received requisite declarations confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with rules made thereunder and Regulation 16 of the SEBI Listing Regulations.

Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

Further, the Independent Directors have also submitted their declaration in compliance with the provisions of Rule 6(3) of Companies (Appointment and Qualification of Directors) Rules, 2014, which mandated the inclusion of an Independent Director's name in the data bank of Indian Institute of Corporate Affairs ("IICA") for a period of one year or five years or life time till they continues to hold the office of an independent director.

PARTICULARS OF EMPLOYEES:

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is given in the Statement annexed herewith as Annexure - I.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements of Section 134(3)(c) read with sub section (5) of the Companies Act, 2013 ('Act'), it is hereby confirmed that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- (b) the Directors had 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 at the end of the financial year and the profit and loss of the Company for the period ended 31st March, 2020;
- (c) the Directors had 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) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and;
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS' AND AUDITORS' REPORT:

1. STATUTORY AUDITOR & AUDIT REPORT-

At the 16th AGM held on Friday, 20th September, 2019 the members approved appointment of M/s. Pankaj K Shah Associates, Chartered Accountants, Ahmedabad (Firm Registration No. 107352W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of 16th AGM till the conclusion of the 21st AGM on remuneration to be decided by the Board or Committee thereof in consultation with the Statutory Auditors.

The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM and a note in respect of same has been included in the Notice for this AGM.

There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors in their report and hence no explanation or comments of the Board is required in this matter.

2. SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT-

Section 204 of the Companies Act 2013, inter-alia requires every listed company to undertake Secretarial Audit and shall annex with its Board's Report a Secretarial Audit Report, given by a Company Secretary in practice, in the prescribed form.

In line with the requirement of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company appointed M/s Mukesh Pamnani & Associates, Practising Company Secretaries, Ahmedabad, to carry out Secretarial Audit of the Company for the Financial Year 2019-20.

The Secretarial Audit Report for the Financial Year 2019-20 is annexed as **Annexure - II** to this report. This Report does not contain any qualification, reservation or adverse remark.

3. INTERNAL AUDITORS-

The Board of Directors has appointed Mr. Narendrakumar Y. Tiwari (M. No: 145536), Chartered Accountant, Ahmedabad as the Internal Auditors of the Company for the Financial Year 2020-21.

SECRETARIAL STANDARDS:

The Company duly complies with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS:

During the year under review, there have been no instances of fraud reported by the Auditors of the Company under Section 143(12) of the Companies Act, 2013.

PERFORMANCE EVALUATION:

The Board carries out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its committees. The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning etc. And the performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings etc.

In a separate meeting of independent directors, performance of non-independent directors, the chairman of the Company and the board as whole was evaluated, taking into account the views of executive directors and non-executive directors.

The Board reviewed the performance of individual directors on the basis of criteria laid by Nomination & Remuneration such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc.

In the board meeting that followed the meeting of the independent directors, the performance of the board, its committees, and individual directors was also discussed. The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

In terms of the Regulation 34(e) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis Report forms part of this Report as **Annexure - III**.

EXTRACT OF ANNUAL RETURN:

Extract of Annual return in Form No. MGT-9 as per the provisions of Section 134(3)(a) and 92(3) of the Companies Act, 2013 read with rules made there under, is annexed to this Report as **Annexure-IV**.

INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate financial controls commensurate with its size, scale and complexity of its operations. The Company has in place policies and procedures required to properly and efficiently conduct its business, safeguard its assets, detect frauds and errors, maintain accuracy and completeness of accounting records and prepare financial records in a timely and reliable manner.

DEPOSITS:

The Company has neither accepted/invited any deposits covered under Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has neither given any loans or guarantees nor made any investments during the year under review attracting the provisions of Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH THE RELATED PARTIES:

During the year under review, the transactions entered by the Company, with the related parties are at arm's length basis. The details are disclosed in Note No.31 of the Financial Statements of the Company for the year ended 31st March, 2020.

MATERIAL CHANGES AND COMMITMENTS:

There have been no material changes and commitment affecting the financial position of the Company between the end of the financial year of the Company as on 31st March, 2020 and the date of this report i.e. 8th August, 2020.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals that would impact the going concern status and Company's operation in future.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

The company has complied with the provision relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The company has adopted policy on prevention of sexual harassment of women at workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year ended 31st March, 2020, the company has not received any complaints pertaining to sexual harassment.

HUMAN RESOURCES:

The Company considers its Human Resources as the key to achieve its objectives. Keeping this in view, the Company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and such work environment propels them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind the Company's vision. The Company appreciates the spirit of its dedicated employees.

HEALTH, SAFETY AND ENVIRONMENT:

The Company continues to accord high priority to health and safety of employees at all locations. Monitoring and specific review of system regarding health, safety and environment is done on a continuous basis with emphasis and focus given to safety at workplace. The Company is taking continuous steps and also developing environment friendly processes for effective resource management with specific focus to energy, water and basic raw materials.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed as **Annexure-V** to this report.

CORPORATE GOVERNANCE:

As the Company is listed on the **BSE-SME** platform since 31st May, 2017, the requirement of furnishing Corporate Governance Report under Regulation 27(2) read with Schedule V of the Listing Obligations & Disclosure Requirements Regulations, 2015 is not applicable to the Company. Whenever this regulation becomes applicable to the Company at a later date, the Company will comply with the requirements of those regulations within six months from the date on which the provisions become applicable to our Company.

CORPORATE SOCIAL RESPONSIBILITY:

As per the provisions of Section 135 of the Companies Act, 2013 read with rules framed thereunder, certain class of companies is required to spend 2% of its average net profit during 3 preceding years on CSR activities. It also provides formation of CSR committee of the Board. The Rules prescribe the activities qualify under CSR and the manner of spending the amount. The company is not covered under section 135 of the Companies Act, 2013 and the Rules framed there under for the financial year under review, hence the question of compliance of the same does not arise.

RISK MANAGEMENT:

Risk Management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and



includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee.

Some of the risks that the Company is exposed to are: Financial Risks, Commodity Price Risk, Regulatory Risk, Human resource Risk, Strategic Risk, etc.

INSIDER TRADING REGULATIONS:

The Company has notified and adopted the Code of Prevention of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information made pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015. The said Codes are published on the website of the Company at <http://yugdecor.com/index.php/codes-policies-other/>. The Company has suitably amended the aforesaid Codes to align them with the amendments introduced by SEBI, w.e.f. 1st April, 2019.

VIGIL MECHANISM:

The Company has adopted a Vigil Mechanism Policy to provide a formal mechanism to the Directors' and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Policy provides for adequate safeguards against victimization of employees, who avail of the mechanism and provides to employees' direct access to the Chairman of the Audit Committee.

The Vigil Mechanism Policy is disseminated through the Website of the Company at <http://yugdecor.com/wp-content/uploads/2017/09/Vigil-Mechanism-Policy.pdf>

APPRECIATION:

The Directors are thankful to the Bankers, Customers, Dealers, Distributors and Vendors etc for their valuable support and assistance.

The Directors wish to place on record their appreciation of the commendable work done, dedication and sincerity by all the employees of the Company at all levels during the year under review.

The Company will make every effort to meet the aspirations of its shareholders and wish to sincerely thank them for their whole hearted co-operation and support at all times.

By Order of the Board of Directors
YUG DECOR LIMITED

Date: 8th August, 2020
Place: Ahmedabad

Chandresh S. Saraswat
Chairman & Managing Director
DIN: 01475370

ANNEXURE-I

PARTICULARS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

I. The Ratio of the Remuneration of each Director to the Median employee's remuneration for the financial year:

Sr. No.	Name of Director	Ratio
1.	Mr. Chandresh S. Saraswat (Chairman & Managing Director)	2.67:1
2.	Ms. Ankita Saraswat (Whole time Director)	2.45:1

II. The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial year:

Sr. No.	Name	Designation	% Increase
1.	Mr. Chandresh S. Saraswat	Chairman & Managing Director	-
2.	Ms. Ankita Saraswat	Whole time Director	-
3.	Mr. Lokeshkumar Edival	Chief Financial Officer	12.37%
4.	Ms. Barkha Lakhani	Company Secretary & Compliance Officer	-

III. The Median Remuneration of the employees of the Company during the Financial Year: ₹ 2,67,662/-

IV. The percentage increase in the median remuneration of employees in the financial year: 21.77%

V. The number of existing employees on the rolls of Company:

The number of employees as on 31st March, 2020 was 60.

VI. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration: NIL

VII. It is hereby affirmed that the remuneration has been paid as per the Remuneration Policy of the Company.

STATEMENT PURSUANT TO RULE 5(2) AND RULE 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF THE DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2020.

Sr. No.	Name & Age of the Employee	Present Designation	Remuneration received (in ₹)	Qualifications and Experience	Date of Commencement of employment	Last employment	% of Equity Shares held as on 31-03-2020
1.	Jitesh Tiwari (45 years)	Vice President	12,99,960	B.A., Master in Marketing Management (26 Years)	01-03-2019	HOF Furniture System Pvt. Ltd., Delhi	-
2.	Chandresh Saraswat (54 Years)	Chairman & Managing Director	7,14,980	B.A, P.G.D.M. (34 Years)	19-06-2007	Nikhil Adhesives Ltd, Mumbai	19.76%
3.	Ankita Saraswat (29 Years)	Whole time Director	6,55,400	M.B.A(8 Years)	28-07-2012	ICICI Securities Limited	1.94%
4.	Sanjay Rathore (46 Years)	Area Sales Manager- Madhya Pradesh	6,49,980	Higher Secondary (28 Years)	01-05-2018	Vaidika Polyfix Pvt. Ltd.	-
5.	Pankaj Ramakant Tiwari (37 Years)	Deputy Regional Manager	6,26,845	B.A.(15 Years)	01-04-2012	Jubilant Industries Limited	0.10%
6.	Shreya Mehta (25 Years)	Executive Assistant	6,19,375	B.D.S(4 Years)	01-09-2016	-	0.38%
7.	Lokeshkumar Edival (33 Years)	Chief Financial Officer	5,90,000	B.Com, C.A., C.S.(9 Years)	07-01-2017	P. D. Goinka & Co. (C.A.)	-
8.	Dharmesh Pandya (49 Years)	Area Sales Manager	5,60,202	B.Com (22 Years)	01-03-2019	Nikhil Adhesives Ltd, Mumbai	0.10%
9.	Sanjay Bhatt (56 Years)	Purchase Manager	5,23,780	B.Com(35 Years)	01-01-2013	D. R. Fabrics, Ahmedabad	-
10.	Ravi Shankar Tiwari (47 Years)	Territory Manager- Bangalore	5,06,990	B.Com (18 Years)	01-10-2009	Riddhi Siddhi Associates	-

Notes:

- 1) One of the employees of the Company, Mr. Jitesh Tiwari, is drawing more remuneration than the Managing Director and Whole time Director of the Company. Hence the above disclosure is pursuant to Rule 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- 2) None of the employees are drawing remuneration as stated under Rule 5(2)(i) & 5(2)(ii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- 3) None of the employees as mentioned above are related to the Directors of the Company except Mr. Chandresh Saraswat, Chairman & Managing Director and Ms. Ankita Saraswat, Whole time Director themselves.
- 4) Nature of Employment for all the employees: Regular.

By Order of the Board of Directors
YUG DECOR LIMITED

Date: 8th August, 2020
Place: Ahmedabad

Chandresh S. Saraswat
Chairman & Managing Director
DIN: 01475370

ANNEXURE-II

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2020

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

To,
The Members,
YUG DECOR LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by YUG DECOR LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the YUG DECOR LIMITED (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 authorized representatives during the conduct of secretarial audit. I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2020, 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 YUG DECOR LIMITED ("the Company") for the financial year ended on 31.03.2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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'):-
 - (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 by the Amendment Regulations till date);
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (***Not Applicable during Audit Period***);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (***Not Applicable during Audit Period***);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (***Not Applicable during the Audit Period***); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (***Not Applicable during the Audit Period***);
 - (i) The Securities and Exchange Board of India (Listing Obligations and disclosure Requirement) Regulation, 2015 (as amended by the Amendment Regulations till date);

(vi) I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the following laws applicable specifically to the Company:

- (a) The Environment (Protection) Act, 1986
- (b) Hazardous Waste (Management & Handling) Rules 1989
- (c) The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989

I have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards (i.e SS-1 relating to Board Meetings & SS-2 relating to General Meetings) issued by the Institute of Company Secretaries of India.
2. The Listing Agreements entered into by the Company with BSE Ltd.

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, 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.

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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of 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 company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For Mukesh Pamnani & Associates
Company Secretaries

Sd/-

Mukesh Pamnani
Proprietor

M. No. F10166, C P No.: 12925
UDIN: F010166B000567767

Date : 10.08.2020
Place : Ahmedabad

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 A’

To,
The Members
YUG DECOR LIMITED

My Secretarial Audit Report of even date is to be read along with this letter.

Management’s Responsibility

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.

Auditor’s Responsibility is limited to the following:

1. I have followed the audit practices and process as considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification as done on test basis is to reasonably ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.
2. In respect of Laws, Rules and Regulations other than those specifically mentioned in our report above, we have limited our review, analysis and reporting up to process and system adopted by the Company for compliance with the same and have not verified detailed compliance, submissions, reporting under such laws etc. nor verified correctness and appropriateness thereof including financial records and books of account of the Company.
3. Wherever required, I have obtained the management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
4. 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 procedures on test basis.

Disclaimer

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 Mukesh Pamnani & Associates
Company Secretaries**

Sd/-

**Mukesh Pamnani
Proprietor**

**M. No. F10166, C P No.: 12925
UDIN: F010166B000567767**

Date : 10.08.2020
Place : Ahmedabad

ANNEXURE- III

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

To,
The Members
YUG DECOR LIMITED
Ahmedabad

INDUSTRY STRUCTURE AND DEVELOPMENT:

There is no change in the industry structure as reported by the Company last year. The Company operates under a single segment i.e. Manufacturing of Adhesives and Sealants under the Brand name “YUG-COL”. The Adhesive business of the Company is further bifurcated into two kinds of Adhesives that are Wood Adhesives and Rubber Adhesives. Wood Adhesives are primarily used in sports industry, furniture industry, handicrafts, paper and paper products, textile industry etc. Whereas, Rubber Adhesives are used in Furniture and Footwear Industries. They can also be used in upholstery and fixing laminate sheets to wood and other surfaces. The adhesives market, with its demand in end applications, has witnessed considerable growth over the past few years and this growth is estimated to increase in the future. Paper products and building constructions are the major applications driving the overall revenue. Key players all over the world have invested huge capital to develop enhanced products, which help to meet the current demand. The Company had continued to remain focused on providing quality products to sustain its business and performed satisfactorily on Indian market and done reasonably well on export front too.

OUTLOOK:

The Financial Year 2020-21 started off on an unprecedented note with complete lockdown implemented in India as well as lockdowns/ business restrictions across larger parts of the world due to the COVID-19 pandemic. Hence the overall outlook for the coming period looks grim. The Company operates in the furniture and footwear industry. Amidst the pandemic outbreak, the demand for Company’s products, being non essential item, could be put on hold by its customers. Recovery of demand locally & globally both will depend on a combination of consumer spending, supply-side restrictions driven by safe working requirements and the penetration of government stimulus into the wider economy. Also, without compromising with the safety and health of all its employees, the Company is positioning its best efforts to retain its improved performance by reducing its cost and increase its market penetration to negate the effect of pandemic on its business.

During the year under review, the Company has shown reasonable overall growth in terms of revenue and profitability, despite of losing considerable business at the end of the year due to COVID-19 pandemic.

FINANCIALS:

- The Total revenue of the Company during the Financial year 2019-20 was ₹ 17,42,20,371/- against the total revenue of ₹ 17,06,33,916/- in the previous financial year 2018-19.
- The Total expenses of the Company during the financial year 2019-20 was ₹ 15,84,00,311/- against the expenses of ₹ 16,94,15,818/- in the previous financial year 2018-19.
- The Profit after tax was ₹ 59,49,888/- for the financial year 2019-20 as compared to the Loss after tax of ₹ 57,63,630/- in the previous financial year 2018-19.

The turnaround position of profitability is assignable to the increase in revenue, raw material cost optimization and reduction in finance cost.

Key Financial Ratios: (in times/ %)

Sr. No.	Ratio	2019-20	2018-19
1.	Debtors Turnover (times)	2.29	2.36
2.	Inventory Turnover (times)	10.2	11.39
3.	Interest Coverage Ratio (times)	4.06	-1.06
4.	Current Ratio (times)	1.97	2.05
5.	Debt Equity Ratio (times)	1.11	0.94
6.	Operating Profit Margin (%)	6.15	-2.35
7.	Net Profit Margin (%)	3.42	-3.38
8.	Return on Net Worth (%)	9.78	-9.49

There is significant change (i.e. change of 25% or more as compared to the immediately previous financial year) in the following key ratios:

Detailed explanations of key ratios

i. Interest Coverage Ratio:

Significant change in the interest coverage ratio as compared to the last year's figures is due to increased Earnings before interest and taxes (EBIT) and reduction of interest expenses in comparison to the previous financial year.

ii. Operating Profit Margin:

Significant change in Operating Profit Margin is due to increase in revenue from sales, and raw material cost optimization in current financial year compared to last financial year.

iii. Net Profit Margin and Return of Net Worth:

As a reason of increase in the revenue and potential increase in net profit of the Company in the current financial year as compared to net loss in the last financial year, the figures above show improved net profit margin and return on net worth.

OPPORTUNITIES AND THREATS:

At this point of time, what could best serve as an opportunity for the Company is the fall in crude prices has an impact on certain raw materials also. Reduced raw material costs give the benefit of optimization to the Company by providing quality products to its customers at lower cost and increase in its margin.

In increasing domestic market, the company may fall victim to competition resulting in reduced order book position leading to thinner profitability. The Company's constant thrust to maintain consistent quality, the ability to cater to the market driven product mix coupled with healthy brand image and efficient marketing strategy reduces the risk of competition and protects the market share of the Company.

RISKS AND CONCERNS:

Risk management is an integral part of the Company's operations. All the risks are regularly reviewed and focused approach is undertaken to mitigate the risks to curtail its impact on the operations of the Company.

The Company by virtue of extending credit to its customers is exposed to credit risk in terms of non realization of book debts and delayed recovery of receivables thereby posing unexpected cash flow issues. The effective risk management practices of the Company includes regular evaluation of creditability of customers, frequent review of credit limits of the customers and fixing/ tightening of credit limits according to the track record of the customers.

The disruption in specialty chemical industry has cascading effects on various other sectors. Uneven demand has been observed for the Company's products since the pandemic outbreak. The Company will need to make well informed strategic changes and restructure its business to navigate this uneven demand scenario until the threat of the pandemic is over and industry dynamics return to pre-outbreak levels.

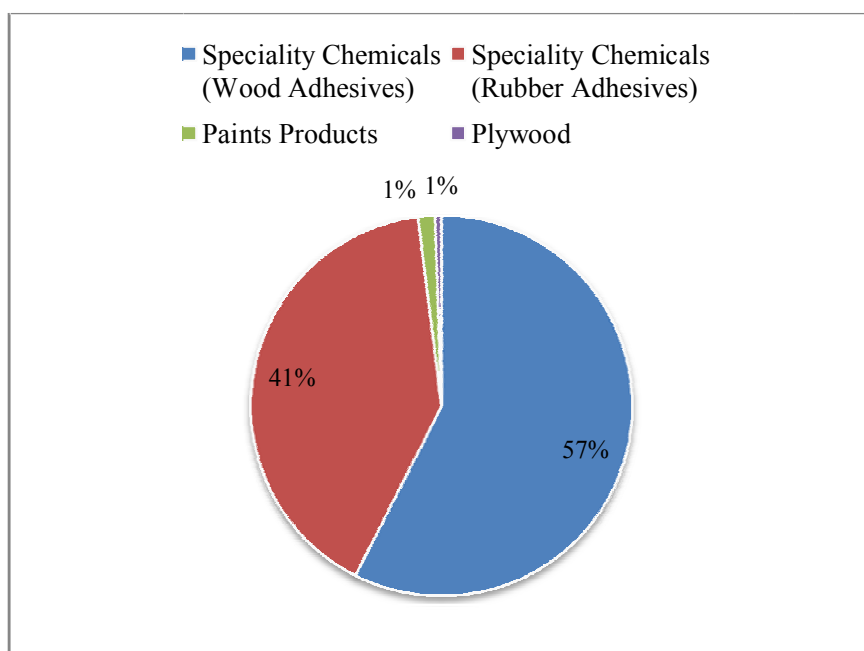
INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company's internal control systems are commensurate with the nature of its business and size and complexity of its operations. Appropriate internal control policies and procedures have been set up to provide reasonable assurance on the following objectives:

- Effectiveness and efficiency of its operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations
- Prevention and detection of frauds and errors
- Safeguarding its assets

Compliance to these policies and procedures is an integral part of the management review process. Adequacy and effectiveness of these internal controls are routinely tested by internal auditors based on their risk-based audit plan. The Audit Committee of the Company periodically reviews the adequacy and effectiveness of the Company's internal financial controls and the implementation of audit recommendations.

SEGMENT WISE PERFORMANCE OF THE COMPANY ON THE BASIS OF SALES VOLUME:



During the Financial Year under review:

- Wood Adhesives made highest contribution to the sales revenue with 57% sales in proportion to the total sales.
- Rubber Adhesives made the 2nd highest contribution with 41% sales in proportion to the total sales.
- The sales volume attributed to the Paints and Plywood segment were at par with 1% each.

As already conveyed to the shareholders through the last year's annual report, the Company had made up its mind to primarily build up on the adhesives business. During the year under review, the Company had discontinued its operations in paints unit w.e.f. 17th May, 2019. The Company is pleased to inform that it has witnessed an overall growth of nearly 2% in the current financial year as compared to the last financial year. Furthermore, a growth of 8.09% particularly in the adhesive business, vouches for the prudent decision made by the Company by dwelling upon it for the time being.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS INCLUDING NUMBER OF PEOPLE EMPLOYED:

The Company considers its human capital a critical factor to its success. In line with the Company's philosophy of continuously harnessing employee potential and developing them to become more capable professionals and future leaders, the Company has been continuously focusing on developing a more effective and comprehensive strategy to address the key aspects of Human Resource Management. The Company has a favorable work environment that motivates performance, encourage customer oriented focus and innovation while adhering to the highest degree of quality. During the year under review, the Industrial Relations continued to remain cordial.

The total number of employees on the roll of the Company as on 31st March, 2020 was 60.

CAUTIONARY STATEMENT:

Certain statements in the reports of the Board of Directors and Management's discussions and analysis may be "forward-looking statements" within the meaning of applicable securities laws and regulations. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market positioning, expenditures and financial results are based on certain assumptions and expectations of future events. The Company's actual results, performance or achievement may thus differ materially from those projected in such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statement on the basis of any subsequent developments, information or events.

By Order of the Board of Directors
YUG DECOR LIMITED

Date: 8th August, 2020
Place: Ahmedabad

Chandresh S. Saraswat
Chairman & Managing Director
DIN: 01475370

ANNEXURE-IV
FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

1. REGISTRATION & OTHER DETAILS:

SR.NO.	PARTICULARS	DETAILS
1	CIN	L24295GJ2003PLC042531
2	Registration Date	23 rd June, 2003
3	Name of the Company	YUG DECOR LIMITED
4	Category / Sub-Category of the Company	Company Limited by Shares Non-Government Company
5	Address of the Registered office and contact details	709-714, Sakar-V, B/h Natraj Cinema, Ashram Road, Ahmedabad-380 009, Gujarat, India Tel: 079-26580920 / 48955109 Email: account@yugdecor.com Website: www.yugdecor.com
6	Whether the Company is listed	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Satellite Corporate Services Pvt. Ltd. Address: Unit. No 49, Building No. 13 AB, 2nd Floor, Samhita Commercial Co-Operative Society Ltd., Off Andheri Kurla Road, MTNL Lane, Sakinaka, Mumbai - 400 072, Maharashtra, India Tel.: 022- 28520461/462 Fax: 022- 28511809 Email: service@satellitecorporate.com Website: www.satellitecorporate.com

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:

SR.NO.	NAME AND DESCRIPTION OF MAIN PRODUCTS/ SERVICES	NIC CODE OF THE PRODUCT/ SERVICE	% TO TOTAL TURNOVER OF THE COMPANY
1	Manufacturing of Adhesive and Glues, including Rubber based Glues and Adhesive	20295	98.01%

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

SR.NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
N.A.					

4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

(i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31st March, 2019]				No. of Shares held at the end of the year [As on 31st March, 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
a) Individual/HUF	27,45,100	0	27,45,100	65.83%	27,89,100	0	27,89,100	66.89%	1.06%
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1)	27,45,100	0	27,45,100	65.83%	27,89,100	0	27,89,100	66.89%	1.06%
(2) Foreign									
a) NRIs Individuals	0	0	0	0	0	0	0	0	0
b) Other									
Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub- total (A)(2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	27,45,100	0	27,45,100	65.83%	27,89,100	0	27,89,100	66.89%	1.06%
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	0	0	0	0	0	0	0	0	0
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	80,432	0	80,432	1.93%	70,000	0	70,000	1.68%	(0.25%)
ii) Overseas	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31st March, 2019]				No. of Shares held at the end of the year [As on 31st March, 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	4,90,568	0	4,90,568	11.76%	4,25,000	0	4,25,000	10.19%	(1.57%)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	8,37,666	0	8,37,666	20.10%	7,80,333	0	7,80,333	18.71%	(1.39%)
c) Any Other (Specify)									
Clearing Member	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Non Resident Indians	0	0	0	0	0	0	0	0	0
HUF	16,000	0	16,000	0.38%	1,05,333	0	1,05,333	2.53%	2.15%
Directors & their relatives	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)	14,24,666	0	14,24,666	34.17%	13,80,666	0	13,80,666	33.11%	(1.06%)
Total Public Shareholding (B)= (B)(1)+(B)(2)	14,24,666	0	14,24,666	34.17%	13,80,666	0	13,80,666	33.11%	(1.06%)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	41,69,766	0	41,69,766	100 %	41,69,766	0	41,69,766	100%	0

(ii) Shareholding of Promoters & Promoter Group:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 31st March, 2019]			Share holding at the end of the year [As on 31st March, 2020]			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Chandresh S. Saraswat	8,20,051	19.67%	0	8,24,051	19.76%	0	0.09%
2.	Santosh Kumar Saraswat	5,35,735	12.85%	0	5,35,735	12.85%	0	0.00%
3.	Abha Santoshkumar Saraswat	4,11,468	9.87%	0	4,39,468	10.54%	0	0.67%
4.	Nisha Chandresh Saraswat	2,77,965	6.67%	0	2,77,965	6.67%	0	0.00%
5.	Ankita Chandresh Saraswat	81,000	1.94%	0	81,000	1.94%	0	0.00%
6.	Chandresh Saraswat-HUF	2,48,920	5.97%	0	2,60,920	6.26%	0	0.29%
7.	Santosh kumar Saraswat-HUF	2,48,961	5.97%	0	2,48,961	5.97%	0	0.00%
8.	Pooja Sanjeev Saraswat	66,000	1.58%	0	66,000	1.58%	0	0.00%
9.	Suresh Chandra Saraswat	55,000	1.32%	0	55,000	1.32%	0	0.00%

(iii) Change in Promoters' Shareholding:

Sr. No.	Particulars	Date of Increase/Decrease	Reason of Increase/Decrease	Shareholding for the year ended on 31st March, 2020		Cumulative Shareholding during the year ended on 31st March 2020	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Chandresh S. Saraswat						
	At the beginning of the year			8,20,051	19.67%	8,20,051	19.67%
	Date wise Increase/ (Decrease) in Promoters Share holding during the year specifying the reasons for increase/ (decrease).	21/05/2019	Acquisition	4,000	0.09%	8,24,051	19.76%
	At the end of the Year			8,24,051	19.76%	8,24,051	19.76%
2.	Santosh Kumar Saraswat						
	At the beginning of the year			5,35,735	12.85%	5,35,735	12.85%
	Date wise Increase/ (Decrease) in Promoters Share holding during the year specifying the reasons for increase/ (decrease).	NIL	NIL	NIL	NIL	NIL	NIL
	At the end of the Year			5,35,735	12.85%	5,35,735	12.85%
3.	Abha Santoshkumar Saraswat						
	At the beginning of the year			4,15,468	9.96%	4,15,468	9.96%
	Date wise Increase/ (Decrease) in Promoters Share holding during the year specifying the reasons for increase/ (decrease).	22/11/2019	Acquisition	8,000	0.19%	4,23,468	10.15%
		12/12/2019		4,000	0.10%	4,27,468	10.25%
		13/12/2019		4,000	0.10%	4,31,468	10.35%
		17/12/2019		4,000	0.10%	4,35,468	10.45%
23/12/2019		4,000		0.10%	4,39,468	10.54%	
At the end of the Year			4,39,468	10.54%	4,39,468	10.54%	

Sr. No.	Particulars	Date of Increase/ Decrease	Reason of Increase/ Decrease	Shareholding for the year ended on 31st March, 2020		Cumulative Shareholding during the year ended on 31st March 2020	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4.	Nisha Chandresh Saraswat						
	At the beginning of the year			2,77,965	6.67%	2,77,965	6.67%
	Date wise Increase/ (Decrease) in Promoters Share holding during the year specifying the reasons for increase/ (decrease).	NIL	NIL	NIL	NIL	NIL	NIL
	At the end of the Year			2,77,965	6.67%	2,77,965	6.67%
5.	Ankita Chandresh Saraswat						
	At the beginning of the year			81,000	1.94%	81,000	1.94%
	Date wise Increase/ (Decrease) in Promoters Share holding during the year specifying the reasons for increase/ (decrease).	NIL	NIL	NIL	NIL	NIL	NIL
	At the end of the Year			81,000	1.94%	81,000	1.94%
6.	Chandresh Saraswat-HUF						
	At the beginning of the year			2,48,920	5.97%	2,48,920	5.97%
	Date wise Increase/ (Decrease) in Promoters Share holding during the year specifying the reasons for increase/ (decrease).	16/01/2020	Acquisition	12,000	0.29%	2,60,920	6.26%
	At the end of the Year			2,60,920	6.26%	2,60,920	6.26%
7.	Santoshkumar Saraswat-HUF						
	At the beginning of the year			2,48,961	5.97%	2,48,961	5.97%
	Date wise Increase/ (Decrease) in Promoters Share holding during the year specifying the reasons for increase/ (decrease).	NIL	NIL	NIL	NIL	NIL	NIL
	At the end of the Year			2,48,961	5.97%	2,48,961	5.97%
8.	Pooja Sanjeev Saraswat						
	At the beginning of the year			66,000	1.58%	66,000	1.58%
	Date wise Increase/ (Decrease) in Promoters Share holding during the year specifying the reasons for increase/ (decrease).	NIL	NIL	NIL	NIL	NIL	NIL
	At the end of the Year			66,000	1.58%	66,000	1.58%
9.	Suresh Chandra Saraswat						
	At the beginning of the year			55,000	1.32%	55,000	1.32%
	Date wise Increase/ (Decrease) in Promoters Share holding during the year specifying the reasons for increase/ (decrease).	NIL	NIL	NIL	NIL	NIL	NIL
	At the end of the Year			55,000	1.32%	55,000	1.32%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Shareholding of Top 10 Shareholders	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Ketan Ramniklal Mehta					
	At the beginning of the year	01/04/2019	1,50,000	3.60%	1,50,000	3.60%
	At the end of the year	31/03/2020	1,50,000	3.60%	1,50,000	3.60%
2.	Kamlesh Jayantilal Shah					
	At the beginning of the year	01/04/2019	84,333	2.02%	84,333	2.02%
	At the end of the year	31/03/2020	84,333	2.02%	84,333	2.02%
3.	Vinaben Vinodchandra Shah					
	At the beginning of the year	01/04/2019	73,000	1.75 %	73,000	1.75 %
	At the end of the year	31/03/2020	73,000	1.75 %	73,000	1.75 %
4.	Mamtaben Lakshminarayan Darji					
	At the beginning of the year	01/04/2019	68,500	1.64%	68,500	1.64%
	At the end of the year	31/03/2020	68,500	1.64%	68,500	1.64%
5.	Plutus Capital Management LLP					
	At the beginning of the year	01/04/2019	52,000	1.25%	52,000	1.25%
	At the end of the year	31/03/2020	52,000	1.25%	52,000	1.25%
6.	Sanjeev Saraswat					
	At the beginning of the year	01/04/2019	42,000	1.01%	42,000	1.01%
	At the end of the year	31/03/2020	42,000	1.01%	42,000	1.01%
7.	Falguni Kamlesh Shah					
	At the beginning of the year	01/04/2019	37,000	0.89%	37,000	0.89%
	At the end of the year	31/03/2020	37,000	0.89%	37,000	0.89%
8.	Bhavini Rajesh Mehta					
	At the beginning of the year	01/04/2019	36,000	0.86%	36,000	0.86%
	At the end of the year	31/03/2020	36,000	0.86%	36,000	0.86%
9.	Rajesh K. Mehta					
	At the beginning of the year	01/04/2019	36,000	0.86%	36,000	0.86%
	At the end of the year	31/03/2020	36,000	0.86%	36,000	0.86%
10.	Kamlesh J Shah HUF					
	At the beginning of the year	01/04/2019	33,333	0.80%	33,333	0.80%
	At the end of the year	31/03/2020	33,333	0.80%	33,333	0.80%

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Chandresh S. Saraswat					
	At the beginning of the year	01/04/2019	8,20,051	19.67%	8,20,051	19.67%
	Change during the year	21/05/2019	4,000	0.09%	8,24,051	19.76%
	At the end of the year	31/03/2020	8,24,051	19.76%	8,24,051	19.76%
2.	Santosh Kumar Saraswat					
	At the beginning of the year	01/04/2019	5,35,735	12.85%	5,35,735	12.85%
	Change during the year	NIL	NIL	NIL	NIL	NIL
	At the end of the year	31/03/2020	5,35,735	12.85%	5,35,735	12.85%
3.	Ankita Saraswat					
	At the beginning of the year	01/04/2019	81,000	1.94%	81,000	1.94%
	Change during the year	NIL	NIL	NIL	NIL	NIL
	At the end of the year	31/03/2020	81,000	1.94%	81,000	1.94%
4.	Abhay Shrivastava					
	At the beginning of the year	NIL	NIL	NIL	NIL	NIL
	Change during the year	NIL	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL	NIL
5.	Sunil Thakore					
	At the beginning of the year	NIL	NIL	NIL	NIL	NIL
	Change during the year	NIL	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL	NIL
6.	Zarna Shah*					
	At the beginning of the year	01/04/2019	4,000	0.10%	4,000	0.10%
	Change during the year	NIL	NIL	NIL	NIL	NIL
	At the end of the year	31/03/2020	4,000	0.10%	4,000	0.10%
6.	Lokeshkumar Edival					
	At the beginning of the year	NIL	NIL	NIL	NIL	NIL
	Change during the year	NIL	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL	NIL
7.	Barkha Lakhani					
	At the beginning of the year	NIL	NIL	NIL	NIL	NIL
	Change during the year	NIL	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL	NIL

*Appointed as an Additional Director (Independent Director Category) of the Company w.e.f. 8th August, 2020

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	280.78	0	0	280.78
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	280.78	0	0	280.78
Change in Indebtedness during the Financial Year				
• Addition	36.62	0	0	36.62
• (Reduction)	(93.87)	0	0	(93.87)
Net Change	(57.25)	0	0	(57.25)
Indebtedness at the end of the Financial Year				
i) Principal Amount	223.53	0	0	223.53
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	223.53	0	0	223.53

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole time Directors and/or Manager:

(Total Amount In ₹)

Sr. No.	Particulars of Remuneration	Chandresh S. Saraswat, Chairman & Managing Director	Ankita Saraswat, Whole time Director	Total
1.	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,14,980	6,55,400	13,70,380
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission - as % of profit - others, specify	0	0	0
5.	Others, please specify	0	0	0
	Total (A)	7,14,980	6,55,400	13,70,380
	Ceiling as per the Act	120 Lakh	120 Lakh	240 Lakh

B. Remuneration to other Directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors (Independent Directors)		Non- Executive Director	Total Remuneration paid
		Mr. Abhay Shrivastava	Mr. Sunil Thakore		
				Mr. Santosh Kumar Saraswat	
1.	Independent Directors				
•	Fee for attending board/ committee meetings	10,000	10,000	0	20,000
•	Commission	0	0	0	0
•	Others, please specify	0	0	0	0
	Total (1)	10,000	10,000	0	20,000
2.	Other Non-Executive Directors				
•	Fee for attending board/ committee meetings	0	0	10,000	10,000
•	Commission	0	0	0	0
•	Others, please specify	0	0	0	0
	Total (2)	0	0	10,000	10,000
	Total (B) = (1)+(2)	10,000	10,000	10,000	30,000
Overall Ceiling as per the Act		Maximum amount of ₹ 1 Lakh for each director as sitting fee for attending each meeting of the Board or its Committee is allowed under the Act.			

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Remuneration to KMP
		Mr. Lokeshkumar Edival (CFO)	Ms. Barkha Lakhani (CS)	
1.	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	5,90,000	2,76,250	8,66,250
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961.	0	0	0
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission	0	0	0
-	as % of profit	0	0	0
-	others, specify...	0	0	0
5.	Others, please specify	0	0	0
	Total	5,90,000	2,76,250	8,66,250

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

By Order of the Board of Directors
YUG DECOR LIMITED

Date: 8th August, 2020
Place: Ahmedabad

Chandresh S. Saraswat
Chairman & Managing Director
DIN: 01475370

ANNEXURE-V

1. CONSERVATION OF ENERGY:

- Energy conservation has been an important thrust area for the Company and is continuously monitored. The adoption of energy conservation measures has helped the Company in reduction of cost and reduced machine down-time.
- Energy conservation is an ongoing process and new areas are continuously identified and suitable investments are made, wherever necessary.
- Various on-going measures for conservation of energy include (i) use of energy efficient lighting and better use of natural lighting, (ii) reduction of energy loss, and (iii) replacement of outdated energy intensive equipment.

2. POWER CONSUMPTION IN RESPECT OF:

- Total energy consumption and energy consumption per unit of production is given in the table below:

PARTICULAR	UNIT	2019-20	2018-19
Total Unit	KWH	91,246	1,03,112
Rate per Unit	₹	8.38	7.85
Total Amount	₹	7,65,077	8,09,318

3. TECHNOLOGY ABSORPTION:

- The efforts made towards technology absorption: **N.A.**
- The benefits derived from technology absorption: **N.A.**
- The Company has not imported any technology for its products during the last three years.
- The Company has not specific Research and Development Department. However, the Company carries out research and development in several areas including material & process developments towards efficiency improvements, quality improvements, waste reduction etc. Apart from process improvements, the research and development also aims at finding equivalent substitutes of various inputs and packaging materials to have cost savings without compromising quality.
- The Company has derived benefits of product diversification, cost reduction and better quality as a result of the above efforts.
- The research and development is an on-going exercise and suitable efforts will continue to be made in future.

4. FOREIGN EXCHANGE EARNING AND OUTGO:

- i. **Activities relating to export, initiatives to increase exports, Developments of new export market for products during F.Y. 2019-20:**

The Company has continued to maintain focus and avail of export opportunities based on economic considerations. During the year, the Company has exports (FOB value) worth ₹ 56,78,125/-

- ii. **Total Foreign Exchange Earned and Outgo during F.Y. 2019-20:**

Particulars	Amount (In ₹)
Foreign Exchange earned in terms of Actual Inflows	56,78,125
Foreign Exchange earned in terms of Actual Outflows	42,017

By Order of the Board of Directors
YUG DECOR LIMITED

Date: 8th August, 2020
Place: Ahmedabad

Chandresh S. Saraswat
Chairman & Managing Director
DIN: 01475370

INDEPENDENT AUDITORS' REPORT

To,
The Members of,
YUG DECOR LIMITED
Ahmedabad

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **M/s. YUG DECOR LIMITED**, (“the Company”) which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and Notes to the financial statement including 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 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 Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, its profits and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 standalone financial statements under the provisions of the Act and the Rules made there under, 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 audit opinion on the standalone financial statements.

Emphasis of Matter

We draw your attention to Note-26 to the statement which explains the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our report is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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 standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit matter to be communicated in our Report.

Key Audit Matter	How the matter was addressed in our audit
	– NIL –

Information Other than the Standalone Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Business responsibility Report, Corporate Governance report and Shareholder's information, but does not include the standalone financial statement and our auditor's report thereon.

Our opinion on the standalone 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 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 financial statements or our knowledge obtained during the course of our 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 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards 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 judgement 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 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 financial statements, the 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.

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 SAs 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the standalone 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 control system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 entity'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 financial statements 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 entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work and (ii) To evaluate the effect of any identified misstatements in the standalone financial statements.

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 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 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 said Order.
2. 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 purpose 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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
- e) On the basis of written representations received from the directors as on March 31, 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” and
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The company does not have any pending litigations which would impact its financial position.
 - b) The company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

FOR PANKAJ K. SHAH ASSOCIATES
Firm Registration No. 107352W
CHARTERED ACCOUNTANTS

(PANKAJ K. SHAH)
PARTNER

M. No. 34603

UDIN : 20034603AAAACF2371

Place : Ahmedabad
Date : 25.06.2020

“Annexure A” to the Independent Auditors’ Report”

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the Standalone financial statements of the Company for the year ended March 31, 2020; we report that

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, the Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) According to the information and explanations given to us and on the basis of our examination of the record of the company, the title deeds of immovable properties are held in the name of the company.
- 2) The physical verification of inventory has been conducted at reasonable intervals by the management. Due to COVID 19 lockdown situation, we could not perform sufficient Audit procedures to ensure the valuation and verification of inventory as on 31st March 2020. However, on the basis of Internal Auditor’s Report, there is no material discrepancies were noticed on such physical verification.
- 3) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans and investments.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to the records of the company and the information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Custom Duty, Goods and Service Tax Act, Cess and other material statutory dues, as applicable to it to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 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 and record of the Company disputed amount payable in respect of Income tax, sales tax & Custom and Excise Duty and that have not been deposited with the appropriate authorities on account of dispute and the forum where the disputes are pending are given below:

Name of Statue	Nature of Dues	(*) Disputed Amount Rs.	Period to which the amount Relates	Forum where dispute is pending
Gujarat Value Added Tax, 2006	Value Added Tax	6,25,284/-	A.Y. 2012-13	Gujarat VAT Tribunal, Ahmedabad

(*) ₹ 6,61,962/- already paid

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to any financial institutions and banks.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid in accordance with the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) According to the information and explanations given to us and on the basis of our examination of the record of the company, in our opinion all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013.
- 14) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not made any preferential allotment or private placement of shares during the year under review.
- 15) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with the company. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

FOR PANKAJ K. SHAH ASSOCIATES
Firm Registration No. 107352W
CHARTERED ACCOUNTANTS

(PANKAJ K. SHAH)
PARTNER

M. No. 34603

UDIN : 20034603AAAACF2371

Place : Ahmedabad
Date : 25.06.2020

“Annexure B” to the Independent Auditor’s Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **M/S. YUG DECOR LIMITED** (“the Company”) as of March 31, 2020 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management 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 its 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 Companies Act, 2013.

Auditors’ 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 Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgement, 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 authorisations 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.

Opinion

In our opinion, to the best of our information and according to the explanation given to us, 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 March 31, 2020, based on the criteria for Internal Financial control over Financial Reporting 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.

**FOR PANKAJ K. SHAH ASSOCIATES
Firm Registration No. 107352W
CHARTERED ACCOUNTANTS**

**(PANKAJ K. SHAH)
PARTNER**

M. No. 34603

UDIN : 20034603AAAACF2371

Place : Ahmedabad

Date : 25.06.2020

Balance Sheet as at 31st March, 2020

		(Amount in ₹)	
		As at 31st Mar-20	As at 31st Mar-19
I. EQUITY AND LIABILITIES			
1	Shareholders' funds	6,08,44,741	6,07,32,526
	(a) Share Capital	4,16,97,660	4,16,97,660
	(b) Reserves and Surplus	1,91,47,081	1,90,34,866
	(c) Money Received against share warrants	-	-
2	Share Application money pending allotment	-	-
3	Non- Current Liabilities	1,93,19,724	1,67,54,791
	(a) Long Term Borrowings	1,51,20,994	1,37,66,654
	(b) Deferred Tax Liability (Net)	-	-
	(c) Other Long Term Liabilities	25,73,264	16,49,771
	(d) Long Term Provisions	16,25,466	13,38,366
4	Current Liabilities	4,82,04,163	4,05,31,914
	(a) Short Term Borrowings	55,42,916	1,28,52,821
	(b) Trade Payable	-	-
	Total outstanding dues to Micro and Small Enterprises	-	-
	Total outstanding dues of creditors other than Micro and Small Enterprises	3,10,06,718	2,38,80,694
	(c) Other Current Liabilities	57,34,339	37,22,548
	(d) Short Term Provisions	59,20,190	75,851
	TOTAL	12,83,68,628	11,80,19,231
II. ASSETS			
1	Non- Current Assets	3,34,10,593	3,50,28,587
	(a) Property, Plant and Equipment	-	-
	i) Tangible Assets	3,15,42,572	3,18,08,599
	ii) Intangible Assets	1,70,799	6,552
	iii) Capital Work in Progress	-	-
	iv) Intangible assets under development	-	-
	(b) Non- Current Investment	-	-
	(c) Deferred Tax Assets (Net)	8,49,874	23,59,838
	(d) Long Term Loans and Advances	8,47,348	8,53,598
	(e) Other Non- Current Assets	-	-
2	Current Assets	9,49,58,035	8,29,90,644
	(a) Current Investments	-	-
	(b) Inventories	1,22,63,586	1,10,01,367
	(c) Trade Receivables	8,07,95,861	7,09,71,859
	(d) Cash and Cash Equivalents	10,76,088	1,52,836
	(e) Short Term Loans and Advances	8,22,500	8,64,582
	(f) Other Current Assets	-	-
	TOTAL	12,83,68,628	11,80,19,231

Significant Accounting Policies and
Notes on Financial Statements

1 to 37

As per our attached report of even date

For and on behalf of the Board of Directors

For, Pankaj K. Shah Associates

CHARTERED ACCOUNTANTS

FRN- 107352W

Chandresh S. Saraswat

Chairman & Managing Director

DIN: 01475370

Santosh Kumar Saraswat

Director

DIN: 00236008

CA Pankaj K. Shah

Partner

M. No. 34603

Barkha C. Lakhani

Company Secretary

Lokeshkumar Edival

Chief Financial Officer

Place : AHMEDABAD

Date : 25th June, 2020

Place : AHMEDABAD

Date : 25th June, 2020

Profit and Loss statement for the year ended 31st March, 2020

		(Amount in ₹)	
Particulars	Note No.	For the Financial Year ended on 31st March, 2020	For the Financial Year ended on 31st March, 2019
I. Revenue from Operations	17	17,39,51,226	17,05,70,681
II. Other Income	18	2,69,145	63,235
III. Total Revenue (I + II)		<u>17,42,20,371</u>	<u>17,06,33,916</u>
IV. Expenses:			
Cost of Materials Consumed	19	11,74,15,946	12,82,53,155
Purchase of Stock-in- Trade	20	7,65,630	58,61,288
Changes in Inventories of Finished Goods, Work in progress and Stock in Trade	21	4,67,633	(10,80,013)
Employee benefits expenses	22	2,47,21,190	2,26,06,940
Financial Costs	23	26,33,200	37,71,835
Depreciation and Amortization Expenses	16	51,22,379	52,33,444
Other Expenses	24	1,50,29,911	1,37,74,448
Total Expenses		<u>16,61,55,889</u>	<u>17,84,21,097</u>
V. Profit before Tax (III-IV)		80,64,482	(77,87,181)
VI Tax Expenses:			
1) Current Tax		6,04,630	-
2) Deferred Tax		15,09,964	(20,23,551)
VII. Profit (Loss) for the period (V-VI)		<u>59,49,888</u>	<u>(57,63,630)</u>
VIII. Earnings per equity share			
1) Basic and Diluted		1.43	(1.38)

Significant Accounting Policies and
Notes on Financial Statements

1 to 37

As per our attached report of even date
For, Pankaj K. Shah Associates
CHARTERED ACCOUNTANTS
FRN- 107352W

CA Pankaj K. Shah
Partner
M. No. 34603

Place : AHMEDABAD
Date : 25th June, 2020

For and on behalf of the Board of Directors

Chandresh S. Saraswat
Chairman & Managing Director
DIN: 01475370

Barkha C. Lakhani
Company Secretary

Place : AHMEDABAD
Date : 25th June, 2020

Santosh Kumar Saraswat
Director
DIN: 00236008

Lokeshkumar Edival
Chief Financial Officer

Cash Flow Statement for year ended March 31, 2020

Particulars	Amount in ₹	
	For the year ended 31-Mar-20	For the year ended 31-Mar-19
A Cash flows from operating activities:		
Net profit before taxation and extraordinary items	80,64,482	(77,87,181)
Adjustments for:		
Depreciation and Amortisation	51,22,379	52,33,444
(Profit)/Loss on sale of assets [Net]	(1,07,375)	578
Interest income	(41,876)	(13,920)
Proposed Dividend	(58,37,672)	-
Interest expenses	26,33,200	37,71,835
Bad debts written off	1,53,973	30,038
Provisions for employee benefits	2,87,100	(10,784)
Total	22,09,729	90,11,191
Operating profit before working capital changes	1,02,74,210	12,24,010
Adjustments for:		
[Increase]/ Decrease in Trade Receivables	(99,77,975)	24,57,045
[Increase]/ Decrease in Inventories	(12,62,219)	13,57,763
Decrease/ [Increase] in Short Term Advances	42,082	4,23,839
Decrease/ [Increase] in Long Term Advances	6,250	5,38,405
Increase/ [Decrease] in Trade Payables	71,26,024	(31,14,964)
Increase/ [Decrease] in Other Current Liabilities	20,11,791	(10,76,975)
Increase/ [Decrease] in Other Long Term Liabilities	9,23,493	3,22,779
Increase/ [Decrease] in Short Term Provision	58,44,339	-
Total	47,13,785	9,07,892
Cash generated from operations	1,49,87,995	21,31,902
Direct taxes paid [Net of refunds]	(6,04,630)	-
Net cash from operating activities	1,43,83,365	21,31,902
B Cash flows from investing activities:		
Purchase of Fixed Assets	(62,62,774)	24,885
Proceeds from sale of fixed assets	13,49,550	-
Interest received	41,876	13,920
Net cash from investing activities	(48,71,348)	38,805

Particulars	Amount in ₹		
	For the year ended 31-Mar-20		For the year ended 31-Mar-19
C Cash flows from financing activities:			
Issue of Share Capital	-		-
Repayment of Long Term Borrowings	13,54,340		(13,68,022)
Short Term Borrowings [Net]	(73,09,905)		28,54,837
Interest paid	(26,33,200)		(37,71,835)
Net cash used in financing activities		(85,88,765)	(22,85,020)
Net increase/ [decrease] in cash and cash equivalents		9,23,252	(1,14,313)
Cash and cash equivalents at the beginning		1,52,836	2,67,149
Cash and cash equivalents at the end		10,76,088	1,52,836

Notes to the Cash Flow Statement

1	All figures in brackets are outflows.		
2	Previous year's figures have been regrouped wherever necessary.		
3	Cash and cash equivalents comprise of:		
	As at March 31 2020	As at March 31 2019	As at March 31 2018
a	21,085	1,04,585	1,90,878
b	10,55,003	48,251	76,271
d	<u>10,76,088</u>	<u>1,52,836</u>	<u>2,67,149</u>

As per our attached report of even date
For, Pankaj K. Shah Associates
 CHARTERED ACCOUNTANTS
 FRN- 107352W

CA Pankaj K. Shah
 Partner
 M. No. 34603

Place : AHMEDABAD
 Date : 25th June, 2020

For and on behalf of the Board of Directors

Chandresh S. Saraswat
 Chairman & Managing Director
 DIN: 01475370

Barkha C. Lakhani
 Company Secretary

Place : AHMEDABAD
 Date : 25th June, 2020

Santosh Kumar Saraswat
 Director
 DIN: 00236008

Lokeshkumar Edival
 Chief Financial Officer

I COMPANY OVERVIEW

YUG DECOR LIMITED is engaged in manufacturing and trading of various types of Specialty Chemicals such as water based adhesives, solvent based adhesives, various type of Paints and Wood Finishes and its related packing materials.

II SIGNIFICANT ACCOUNTING POLICIES

A) i **Accounting basis and Convention**

The Financial Statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India. The company has been following accrual system of accounting both as to income and expenditure.

The assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

ii **Revenue Recognition**

Sale of Products is recognized when substantial risk and rewards of ownership in the goods are transferred to the buyers, which is generally on the despatch of goods. Sales excludes returns, direct discounts and GST.

Sale of services is recognized on rendering of services based on agreements/arrangements with the concerned parties.

Interest income from a financial asset is recognised using effective interest rate method.

Export benefits are recognised on actual basis.

iii **GST & ITC :**

GST credit on materials purchased for production / service availed for production / input service are taken into account at the time of purchase and GST credit on purchase of capital items wherever applicable are taken into account as and when the assets are acquired.

The GST credits so taken are utilized for payment of GST on goods manufactured. The unutilized GST credit is carried forward in the books. The GST credits so taken are utilized for payment of tax on goods sold. The unutilized GST credit is carried forward in the books.

iv **Use of Estimates**

The preparation of financial statements requires estimates and assumptions which affect the reported amount of assets, liabilities, revenues and expense of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

B) **Property, plant and equipment :**

Property, plant and equipment are stated at actual cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

C) **Intangible assets :**

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

D) **Depreciation / Amortisation**

Depreciation on tangible assets is charged on WDV method on pro-rata basis at the rates specified in Schedule II of the Companies Act, 2013 except on Office Building for which useful life is considered as 30 year due to acquisition resell basis.

Trade Marks are amortised on a straight line basis in five annual installments.

E) Inventories :

Inventories are valued at lower of cost and net realisable value. Cost is generally ascertained on FIFO basis. In case of work-in-progress and finished goods, appropriate overheads are included. Obsolete inventories are adequately provided for.

F) Borrowing cost

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those property, plant and equipment which necessarily take a substantial period of time to get ready for their intended use) are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

G) Income Tax Accounting :

- (a) Current Tax Provision is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961.
- (b) Deferred Tax is recognised, on timing difference, being the difference between taxable income and book profits that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

H) Contingent Liabilities :

Contingent liabilities are not provided for in the accounts and are shown separately in the notes on accounts

I) Impairment of Assets :

At each balance sheet date, the company assesses whether there is any indication that an asset may be impaired. If any indication exists, The company estimates the recoverable amount. If the carrying amount of the asset exceeds its estimated recoverable amount, an impairment loss is recognised in the Statement of Profit and Loss to the extent of carrying amount exceeds recoverable amount.

J) Provisions :

Provisions are recognised when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

K) Cash and Cash Equivalents :

Cash and Cash equivalents includes cash and cheque on hand, demand deposits with banks, fixed deposits and other short term highly liquid investments with original maturities of three months or less.

L) Foreign Currency Transactions :

Transactions in foreign currencies are recorded in Indian Rupees using the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, recorded monetary balances are reported in Indian Rupees at the rates of exchange prevailing at the balance sheet date. All realised and unrealised exchange adjustment gains and losses are dealt with in the profit and loss account.

M) Employee Benefits :

Employee benefits payable wholly within twelve months of the end of the reporting period are classified as short term employee benefits and are recognized as the employee renders service on an undiscounted basis. Contribution to Defined Contribution Scheme such as Provident Fund is charged to Statement of Profit and Loss as incurred. The Company also provide for retirement/ post retirement benefits in the form of gratuity. For current period, the company has provided gratuity provision based on Actuarial valuation.

As regards Leave Encashment, as per existing policy of the company, the employees are not entitled to accumulate such leave and therefore provision is not considered.

Notes on Financial Statements
for the Financial Year ended 31st March, 2020

		(Amount in ₹)	
		As at 31st Mar-20	As at 31st Mar-19
1	<u>SHARE CAPITAL</u>		
	<u>Authorised</u> 42,50,000 (P.Y. 42,50,000) Equity Shares of ₹ 10 each	4,25,00,000	4,25,00,000
	<u>Issue, Subscribed & Paid up</u> 41,69,766 (P.Y. 41,69,766) Equity Shares of ₹ 10 each	4,16,97,660	4,16,97,660

1.1 Details of Shareholders holding more than 5% shares

Name of The Share Holder	As at 31st Mar-20		As at 31st Mar-19	
	No. of Shares	% Held	No. of Shares	% Held
Chandresh Saraswat	8,24,051	19.76	8,20,051	19.67
Santosh Kumar Saraswat	5,35,735	12.85	5,35,735	12.85
Abha Saraswat	4,39,468	10.54	4,11,468	9.87
Nisha Saraswat	2,77,965	6.67	2,77,965	6.67
Chandresh Saraswat HUF	2,60,920	6.26	2,48,920	5.97
Santosh Kumar Saraswat HUF	2,48,961	5.97	2,48,961	5.97

1.2 The Reconciliation of the Number of shares outstanding is set out below.

Particulars	As at 31st Mar-20	As at 31st Mar-19
Equity Shares at the beginning of the year	41,69,766	41,69,766
Equity Shares at the end of the year	41,69,766	41,69,766

1.3 Rights, Preferences and restrictions attached to shares

The Equity shares of the Company, having face value of ₹ 10/- per share, rank pari passu in all respects including voting rights and entitlement of dividend.

1.4 For the period five years immediately preceding the date as at which the Balance Sheet is prepared:

(a) Aggregate number and class of shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash : NIL (Previous Year: NIL)

(b) Aggregate number and class of shares allotted as fully paid-up by way of bonus shares:

Year	Bonus Equity Shares No.
F.Y. 2015-16	NIL
F.Y. 2016-17	1800000
F.Y. 2017-18	NIL
F.Y. 2018-19	NIL
F.Y. 2019-20	NIL

(c) Aggregate number and class of shares bought back: NIL (Previous Year: NIL)

Notes on Financial Statements for the Financial Year ended 31st March, 2020

		(Amount in ₹)	
		As at 31st Mar-20	As at 31st Mar-19
2	<u>RESERVES AND SURPLUS</u>		
	<u>Securities Premium</u>		
	As per Last Balance Sheet	1,70,07,211	1,70,07,211
	Closing Balance	1,70,07,211	1,70,07,211
	Total (A)		
	Profit and Loss Account Balance		
	As per Last Balance Sheet	20,27,655	77,91,285
	Add: Profit/(Loss) for the year	59,49,888	(57,63,630)
	Less: Proposed Dividend	(58,37,672)	-
	Closing Balance	21,39,870	20,27,655
	Total (B)	1,91,47,081	1,90,34,866
3	<u>LONG TERM BORROWINGS</u>		
	<u>SECURED</u>		
	HDFC Bank Limited	-	84,870
	- against hypothecation of Vehicle(s) Repayable on monthly basis by September, 2020		
	Indusind Bank Limited	1,31,52,476	1,33,96,002
	- Secured against mortgage of immovable property or interest therein situated at Office No. 709-714, Sakar-V, Ashram Road, Ahmedabad-380 009 Repayable on monthly basis by November, 2033		
	Volkswagen Finance Private Limited	-	2,85,782
	- against hypothecation of a Vehicle		
	Yes Bank Car Loan	19,68,518	-
	- against hypothecation of a Vehicle Repayable on monthly basis by October, 2022		
	Total	1,51,20,994	1,37,66,654
4	<u>DEFERRED TAX ASSET / (LIABILITY)</u>		
	Deferred Tax Asset	8,49,874	23,59,838
	Deferred Tax Liability	-	-
		8,49,874	23,59,838
5	<u>OTHER LONG TERM LIABILITIES</u>		
	Security Deposits (Trade)	25,73,264	16,49,771
	Total	25,73,264	16,49,771
6	<u>LONG TERM PROVISIONS</u>		
	Provision for Gratuity	16,25,466	13,38,366
	Total	16,25,466	13,38,366

Notes on Financial Statements
for the Financial Year ended 31st March, 2020

		(Amount in ₹)	
		As at 31st Mar-20	As at 31st Mar-19
7	<u>SHORT TERM BORROWINGS</u>		
	<u>SECURED</u>		
	<u>Working Capital Loan From</u>		
	Allahabad Bank	55,42,916	1,28,52,821
	- Primarily secured against hypothecation charge over entire Current Assets of the Company both Present and Future.		
	- Collaterally secured against mortgaged against Factory Land and building situated at Santej, Dist- Gandhinagar and hypothecation of existing Plant and Machineries of the Company having W.D.V. ₹ 32.83 Lacs.		
		55,42,916	1,28,52,821
8	<u>TRADE PAYABLES</u>		
	Total Outstanding dues to Micro and Small Enterprises	-	-
	Total Outstanding dues of creditors other than Micro and Small Enterprises (Refer Note 35)	3,10,06,718	2,38,80,694
		3,10,06,718	2,38,80,694
9	<u>OTHER CURRENT LIABILITIES</u>		
	Current Maturities of Long Term Borrowings (Note 3)		
	HDFC Bank Limited	85,206	4,59,540
	Indusind Bank Limited	4,45,083	5,99,681
	Volkswagen Finance Private Limited	-	3,99,249
	Yes Bank Limited	11,58,303	-
	Advance from Customers	8,41,649	-
	Duties and Taxes	4,07,553	9,87,331
	Creditor for Expenses	27,96,544	12,76,747
		57,34,339	37,22,548
10	<u>SHORT TERM PROVISION</u>		
	Provision for Expenses	69,950	-
	Provision for Employee Benefits	12,568	75,851
	Provision for Proposed Dividend	58,37,672	-
		59,20,190	75,851
11	<u>LONG TERM LOANS AND ADVANCES</u>		
	Advances recoverable in Cash or Kind or for value to be received	6,61,962	6,61,962
	Prepaid Expenses	6,250	12,500
	Security Deposits	1,79,136	1,79,136
		8,47,348	8,53,598

Notes on Financial Statements
for the Financial Year ended 31st March, 2020

		(Amount in ₹)	
		As at 31st Mar-20	As at 31st Mar-19
12	<u>INVENTORIES</u>		
	Raw Materials	58,96,255	39,67,713
	Packing Materials	17,76,328	18,22,491
	Work in Progress	4,33,123	11,94,626
	Traded Goods	92,008	2,83,832
	Finished Goods	34,94,209	30,08,515
	Consumables	5,71,663	7,24,190
		1,22,63,586	1,10,01,367
13	<u>TRADE RECEIVABLES</u>		
	(Unsecured and Considered Good)		
	Outstanding for a period exceeding six months from the date they are due for payment	1,13,61,182	59,50,547
	Others	6,94,34,679	6,50,21,312
		8,07,95,861	7,09,71,859
14	<u>CASH AND BANK BALANCES</u>		
	<u>Cash and Cash Equivalent</u>		
	Cash on Hand	21,085	1,04,585
	- (As certified by the Management)		
	- Balances with Scheduled Banks		
	In Current Account		
	Allahabad Bank	14,822	12,886
	- Balances with Non Scheduled Banks		
	In Current Account		
	ICICI Bank	10,40,181	35,365
		10,76,088	1,52,836
15	<u>SHORT TERM LOANS AND ADVANCES</u>		
	(Unsecured considered Good)		
	Advances recoverable in Cash or Kind or for value to be received	8,22,500	7,66,254
	Security Deposits	-	98,328
		8,22,500	8,64,582

Note 16
FIXED ASSETS AND DEPRECIATION

Description	Gross Block			Depreciation			Net Block		
	Opening 01.04.2019	adjustment during the year		Opening 01.04.2020	adjustment during the year		Upto 31.03.2020	As at 31.03.2020	As at 31.03.2019
		Addition	(Deduction)		Addition	(Deduction)			
<u>Tangible Asset</u>									
Free Hold Land									
(Factory Land)	2,76,697	-	2,76,697	-	-	-	-	2,76,697	2,76,697
Office Building	2,64,30,252	-	2,64,30,252	28,04,896	22,45,599	-	50,50,495	2,13,79,757	2,36,25,356
Factory Building	21,17,982	-	21,17,982	15,04,912	57,292	-	15,62,204	5,55,778	6,13,070
Plant and Machinery	80,36,017	56,000	65,81,017	57,39,856	3,56,387	(8,07,458)	52,88,785	12,92,232	22,96,161
Furniture & Fixtures	43,10,723	-	39,53,445	15,46,730	7,13,896	(3,46,423)	19,14,203	20,39,242	27,63,993
Vehicles	44,03,784	59,65,550	84,64,134	25,97,245	15,34,818	(14,35,840)	26,96,223	57,67,911	18,06,539
Computer & Printer	6,94,567	56,224	4,46,388	5,86,534	64,620	(2,81,045)	3,70,109	76,279	1,08,033
Office Equipment	6,82,654	-	5,42,119	3,63,904	1,29,014	(1,05,475)	3,87,443	1,54,676	3,18,750
Subtotal	4,69,52,676	60,77,774	4,88,12,034	1,51,44,077	51,01,626	(29,76,241)	1,72,69,462	3,15,42,572	3,18,08,599
<u>Intangible Asset</u>									
Trademarks	91,400	15,000	1,06,400	84,848	3,986	-	88,834	17,566	6,552
Software	-	1,70,000	1,70,000	-	16,767	-	16,767	1,53,233	-
Subtotal	91,400	1,85,000	2,76,400	84,848	20,753	-	1,05,601	1,70,799	6,552
Total :-	4,70,44,076	62,62,774	4,90,88,434	1,52,28,925	51,22,379	(29,76,241)	1,73,75,063	3,17,13,371	3,18,15,151
Capital Work-in-Progress	-	-	-	-	-	-	-	-	-
Previous Year 2018-19	4,73,99,865	50,115	4,70,44,076	1,03,25,807	52,33,444	(3,30,326)	1,52,28,925	3,18,15,151	3,70,74,058

Note 1. Amortisation period of the trademarks is for 5 years as estimated by the management.

Note 2. One Car is registered in the name of a Director.

Notes on Financial Statements
for the Financial Year ended 31st March, 2020

		(Amount in ₹)	
		As at 31st Mar-20	As at 31st Mar-19
17	<u>REVENUE FROM OPERATIONS</u>		
	Sales of Products	17,22,72,545	16,95,74,435
	Export Incentives	4,51,172	1,43,241
	Export of Service	12,27,509	8,53,005
		17,39,51,226	17,05,70,681
18	<u>OTHER INCOME</u>		
	Interest Income	41,876	13,920
	Exchange Gain	52,578	49,315
	Profit on Sale of Fixed Assets	1,07,375	-
	Bad Debt Recovery	67,316	-
		2,69,145	63,235
19	<u>COST OF MATERIAL CONSUMED</u>		
	<u>Raw Materials</u>		
	Opening Stock	39,67,713	60,76,045
	Add : Purchase	9,81,85,560	10,53,69,711
	Add: Freight Inward	19,35,798	18,01,586
		10,40,89,071	11,32,47,342
	Less: Closing Stock	58,96,255	39,67,713
	Total (A)	9,81,92,816	10,92,79,629
	<u>Packing Materials</u>		
	Opening Stock	18,22,491	24,04,786
	Add : Purchase	1,91,37,610	1,83,86,617
	Add: Packing Expenses	39,357	4,615
		2,09,99,458	2,07,96,018
	Less: Closing Stock	17,76,328	18,22,491
	Total (B)	1,92,23,130	1,89,73,527
	Total Cost of Material Consumed (A+B)	11,74,15,946	12,82,53,155
20	<u>PURCHASE OF STOCK IN TRADE</u>		
	Purchase	7,65,630	57,81,788
	Freight Inward	-	79,500
		7,65,630	58,61,288

Notes on Financial Statements
for the Financial Year ended 31st March, 2020

		(Amount in ₹)	
		As at 31st Mar-20	As at 31st Mar-19
21	<u>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</u>		
	<u>Opening Balance</u>		
	Finished Goods- Traded	2,83,832	3,55,907
	Finished Goods- Manufactured	30,08,515	25,32,868
	Work-In- Progress	11,94,626	5,18,185
		44,86,973	34,06,960
	<u>Closing Balance</u>		
	Finished Goods- Traded	92,008	2,83,832
	Finished Goods- Manufactured	34,94,209	30,08,515
	Work-In- Progress	4,33,123	11,94,626
		40,19,340	44,86,973
	Decrease/ (Increase) in Stock	4,67,633	(10,80,013)
22	<u>EMPLOYEE BENEFIT EXPENSES</u>		
	Salary, Wages and Bonus	2,38,19,182	2,20,02,018
	Contribution to Provident and Other Fund (Refer note 27a)	4,93,746	5,27,054
	Workmen Compensation Insurance	22,547	24,465
	Gratuity Expenses (Refer note 27b)	3,83,715	51,639
	Staff Welfare	2,000	1,764
		2,47,21,190	2,26,06,940
23	<u>FINANCE COST</u>		
	Interest Expenses		
	Working Capital and Term Loans	23,73,615	36,01,301
	Others	2,59,585	1,70,534
		26,33,200	37,71,835

Notes on Financial Statements for the Financial Year ended 31st March, 2020

(Amount in ₹)

	As at 31st Mar-20	As at 31st Mar-19
24 OTHER EXPENSES		
1 Consumption of Stores and spare parts	34,472	43,430
2 Power & fuel	16,11,813	15,96,623
3 Rent Expenses*	9,21,530	13,59,000
4 Rates & Taxes	4,73,888	1,66,545
5 Auditor Remuneration (Refer note 28)	70,000	70,000
6 Bank Charges	1,11,521	1,28,804
7 Conveyance	1,96,521	2,11,334
8 Commission Expenses	57,500	-
9 Petrol/Diesel Delivery Vehicles	3,72,257	4,13,792
10 Insurance	1,39,972	1,47,388
11 Electricity Expenses	1,57,877	1,59,870
12 Freight & Clearance Expenses	17,46,808	6,64,809
13 General Charges	5,05,846	3,53,203
14 Legal & Professional Fees	6,11,530	5,56,417
15 Postage & Courier	1,37,463	1,39,051
16 Printing & Stationary	1,75,271	1,95,447
17 Scheme, Sample, Rebate & Discount	33,24,532	29,61,678
18 Repairs & Maintenance		
Building	9,270	-
Plant and Machinery	3,12,816	3,71,573
Others	2,98,394	3,29,713
19 Telephone, Mobile and internet charges	3,55,841	43,203
20 Advertisement & Sales Promotion Expenses	1,39,330	10,00,621
21 Travelling Expenses	30,99,788	28,27,941
22 Bad Debt Written Off	1,53,973	30,038
23 Loss on Sale of Fixed Assets	-	578
24 Penalty Expenses	11,699	3,390
	1,50,29,911	1,37,74,448

*The Company has not executed any non-cancellable lease agreement.

25 (a) Contingent Liabilities (to the extend not provided for)		
Claims against the company not acknowledged as debts	Current Year	Previous Year
- Value Added Tax (Gujarat) FY 2012-13	6,25,284	6,25,284
The company is in second appeal in regard to assessment made against which ₹ 6,61,962 is already paid under protest and shown in long term loans and advances as advances recoverble in cash or kind.		
(b) Estimated amount of contracts remaining to be executed on capital account	Current Year	Previous Year
- Commitments	-	-

26 The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions of the country because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Company. Based on such review and current indicators of future economic conditions, the impact of this pandemic on business operations is negligible and there is no significant impact on its financial results.

27 Employee Benefits

a) **Defined Contribution Plan:**

The company makes provident fund (PF) contributions to defined contribution benefit plans for eligible employees. Under the scheme the company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions specified under the law are paid to government authorities (PF Commissioner).

b) **Defined Benefit Plan:**

As per revised Accounting Standard 15 (AS-15) "Employee Benefits", The Company has recognised in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation as on 31st March, 2020.

(i) Component of Employer Expenses recognized in Statement of Profit and Loss Account

Particulars	Current Year	Previous Year
Current Service Cost	4,02,999	3,20,986
Interest Cost	91,009	1,03,885
Expected Return of Plan Assets	-	-
Net actuarial losses (gains) recognised in the year	(1,10,293)	(3,73,232)
Expenses recognised in Statement of Profit and Loss	3,83,715	51,639

(ii) Movement in present value of defined benefit obligation

Particulars	Current Year	Previous Year
Obligation at the beginning of the year	13,38,366	13,49,150
Current Service Cost	4,02,999	3,20,986
Interest Cost	91,009	1,03,885
Benefit paid	(96,615)	(62,423)
Actuarial losses/ (gain)	(1,10,293)	(3,73,232)
Present Value of Benefit obligation at the end of year	16,25,466	13,38,366

(iii) Net Liability/ (Asset) recognized in Balance Sheet

Particulars	Current Year	Previous Year
Present Value of Obligation	13,38,366	13,49,150
Fair Value of Plan Assets	-	-
Net Liability/ (Asset) recognised	13,38,366	13,49,150

28 Auditors Remuneration (Exclusive of Tax)

Particulars	Current Year	Previous Year
Statutory Audit Fees	70,000	70,000
Total	70,000	70,000

29 Remuneration to managing and whole time directors included in respective head of expenses in Note 22 is

Particulars	Current Year	Previous Year
(a) Salary	12,65,000	19,41,000
(b) Bonus	1,05,380	1,61,690
Total	13,70,380	21,02,690

30 Pursuant to Accounting Standard (AS) 22 “Accounting for Taxes on Income”, the Component and classification of deferred tax assets and liabilities on account of timing differences as on 31st March, 2020 and 31st March, 2019 are given below:

Deferred Tax Liability/(Asset) -Net

Particulars	Current Year	Previous Year
Deferred Tax Liability	-	-
Deferred Tax Assets	(8,49,874)	(23,59,838)
Deferred Tax Liability/(Assets) - Net	(8,49,874)	(23,59,838)
Component of Deferred tax Liabilities/ (Assets)		

Particulars	Opening balance	Charge/ (Credit) in Profit or Loss	Closing balance
Property, Plant and Equipments	(2,80,616)	(1,60,130)	(4,40,746)
Provisions	(3,47,975)	(61,153)	(4,09,128)
Unabsorbed Depreciation	(10,65,738)	10,65,738	-
Losses	(6,65,509)	6,65,509	-
Total	(23,59,838)	15,09,964	(8,49,874)

31 Related Party Disclosure:

1. Name of the related parties and their relationships:

Description of Relationship	Name of Related Parties
Key Managerial Personnel	Chandresh S. Saraswat Ankita Saraswat Lokeshkumar Edival Dashang M. Khatri Barkha C. Lakhani
Relative of Key Managerial Personnel	Pooja Saraswat

2. Transaction during the year

	Current Year	Previous Year
(a) Remunerations, Allowances and Bonus		
Chandresh S. Saraswat	7,14,980	13,87,710
Ankita Saraswat	6,55,400	7,14,980
Lokeshkumar Edival	5,90,000	5,25,050
Dashang M. Khatri (upto 31.08.2018)	-	1,17,540
Barkha C. Lakhani (w.e.f. 28.02.2019)	2,76,250	32,068
Pooja Saraswat	3,19,580	3,24,990

32 Other Expenditure in Foreign Currency

	Current Year	Previous Year
Foreign Currency Remittance Charges	42,017	38,909
Total	42,017	38,909

33 Earning in Foreign Exchange - FOB Export
(Including deemed export of ₹ NIL Prev. Year ₹ 3,21,136)

	Current Year	Previous Year
	56,78,125	1,07,26,714

34 Debtors, Creditors, Loans & Advances are subject to confirmation by parties. The company has issued confirmation letters to such parties and differences if any, shall be reconciled in the current year.

- 35** There is no Micro and Small Enterprises to whom the company owes dues, which are outstanding for more than 45 days as at 31st March, 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of the information available with the Company.
- 36** The Company is operating in single segment i.e. Speciality Chemicals-Adhesives and does not have any other identified reportable segment, so reporting as per Accounting Standard -17 (AS-17 Segment Reporting) issued by ICAI, is not applicable to the Company.
- 37** Previous Year figures have been re-grouped and re-arranged wherever necessary to confirm to the current year presentation.

Signatures to Notes 1 to 37 forming part of Balance Sheet and Profit and Loss Account.

As per our attached report of even date
For, Pankaj K. Shah Associates
CHARTERED ACCOUNTANTS
FRN- 107352W

CA Pankaj K. Shah
Partner
M. No. 34603

Place : AHMEDABAD
Date : 25th June, 2020

For and on behalf of the Board of Directors

Chandresh S. Saraswat
Chairman & Managing Director
DIN: 01475370

Barkha C. Lakhani
Company Secretary

Place : AHMEDABAD
Date : 25th June, 2020

Santosh Kumar Saraswat
Director
DIN: 00236008

Lokeshkumar Edival
Chief Financial Officer

SYNTHETIC RUBBER ADHESIVES



SR

It is a rubber based adhesive for use in foam-to-foam applications, foam, handicraft industry, footwear and carpet industry. The unique advantage is that it gives a soft feel to the joined surfaces. It is non-staining and does not discolor tapestry. It is economical to use. It is quick drying and gives good coverage.



SPRAY

It is a rubber based adhesive for use in foam-to-foam applications, bonding foam to foam, rubber to foam, foam to wood, foam to metal, and foam to upholstery. The unique advantage is that it gives a soft feel to the joined surfaces. It is non-staining and does not discolor tapestry. It is economical to use. It is quick drying and gives good coverage.

FOOTWEAR ADHESIVES

PU

It is a Thermoplastic Polyurethane (TPU) adhesive for use in footwear applications.



NR

It is a Natural Rubber based adhesive for use in foam-to-foam applications & footwear applications for temporary fitting purpose.



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