

ANNUAL REPORT 2020-21



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 WATER RESISTANT

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.




YUG-COL[®]

Yug Chale Yugo Tak

PREMIUM RANGE ADHESIVES



**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


YUG-COL[®]

Yug Chale Yugo Tak



ANNUAL REPORT 2020-21

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FOUNDER'S MESSAGE



Dear Valued Shareholders,

I hope you and your family are safe.

Stepping into 2020, few could have anticipated the profound challenges that the world would face in the months to follow, with Covid-19 prompting an unprecedented health crisis. The journey through the year under review was not smooth. The first quarter of 2020-21 was indeed challenging due to the imposition of lockdowns, and subsequent curtailment of economic activities. This disrupted the supply chain and impacted all the industries far and wide. In the prevailing time, our first concern was to ensure the well-being of our people. We instantly adopted a Covid-19 appropriate behaviour at the workplace and around us to curtail the spread of the virus and accelerate, in whatever little way, the economic momentum of the nation.

With the easing of lockdowns from July 2020, there were some clear signs of revival as the economy cautiously opened up and a gradual ramp-up of production was thus witnessed. As opposed to waiting for business to trickle in, we were pro-active in reaching out to our customers both existing and new and looked for new geographies. This unrelenting pursuit resulted in a steady pick-up in volumes gradually month on-month through the year.

In addition to that, the prices of most of the raw materials drove up during the second half of the year due to shipping line disruptions and demand-supply gaps. The Company timed its strategy by keeping a track on changes in the raw material prices and maintained adequate inventories to avoid purchasing them at higher prices.

These steps enabled us to keep running the wheels of momentum amidst a challenging year. The Company demonstrated a rebound in revenues and overall profitability, driven by a strong focus on prudent cost and cash management and improved efficiencies.

Also, you would have noticed that the Board of Directors did not recommend any Dividend for the reporting year. It is our firm belief that the shareholders should be rewarded well, but the present circumstances calls us on adopting a mindful approach that contributes to sustain growth for the future.

As an organisation, we have left no stone unturned to ensure value creation for our stakeholders. Our strategy entails around having the expansion plans in place to meet anticipated growth in demand of the products of the Company now and in near future.

But my optimism is subject to the third wave of Covid-19 which is likely to inflict a deeper impact on India – in terms of lives, livelihoods and economic deceleration. As such, our business operations and performance could be impacted in FY22. I have no doubt that we will continue to work diligently in our efforts towards turning headwinds into tailwinds taking us a few notches higher.

In closing, I thank the Board for their continued guidance to steer the Company in its journey ahead. I extend my gratitude to the entire team, our staff and workers, for their disciplined determination. I also place on record my gratitude to all our other stakeholders– Customers, Bankers, Suppliers and Government Authorities – for the steadfast support and assistance throughout. We solicit your support in our future endeavours. Stay Safe.

Warm Regards,

A handwritten signature in blue ink, appearing to read 'Santoshkumar R. Saraswat', written over a light blue horizontal line.

Santoshkumar R. Saraswat
Founder & Director



OVERVIEW

18

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 WATER RESISTANT | YUG-COL WOOD GLUE | GOOD BOND | BISON BOND |
|  |  |  |  |  |
| SUPER JOK | BLUE BOND | PVC BOND | BANDHAN BOND | FIXOL |

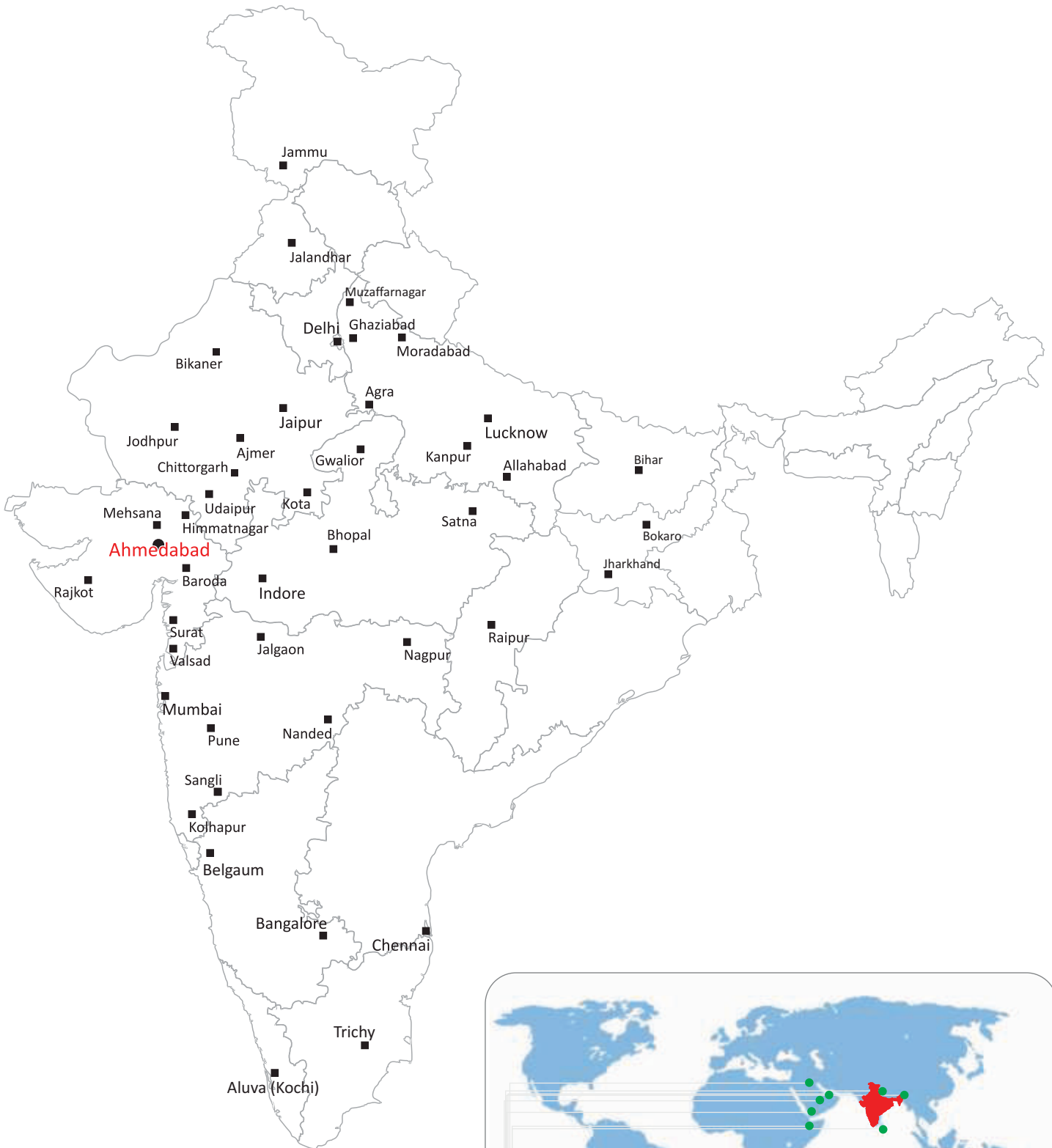
SYNTHETIC RUBBER ADHESIVES

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

FOOTWEAR ADHESIVES

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

OUR PRESENCE



BOARD OF DIRECTORS

Mr. Chandresh S. Saraswat (DIN: 01475370)

Ms. Ankita Chandresh Saraswat (DIN: 05342198)

Mr. Santosh Kumar Saraswat (DIN: 00236008)

Mr. Abhay Rameshchandra Shrivastava (DIN: 07719944)

Mr. Rajesh G. Shah (DIN: 09254647) (Appointed w.e.f. 6th August, 2021)

Ms. Zarna Shah (DIN: 08805309) (Resigned w.e.f. 6th August, 2021)

Chairman & Managing Director

Whole Time Director

Non-Executive Director

Independent Director

Additional (Independent) Director

Independent Director



Mr. Chandresh S. Saraswat
Chairman & Managing Director

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

Mr. Chandresh Santosh Kumar Saraswat, aged 55 years, is the Managing Director of the company. He has completed his Bachelor of Arts from Rajasthan University. He has more than 35 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 30 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 |
|---------------------------|-----------------------------------|

Mr. Santosh Kumar Saraswat, aged 80 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 18 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 |
|---------------------------|--|

Mr. Abhay Shrivastava, aged 58 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.

Mr. Rajesh Shah
Additional (Independent) Director

| | |
|---------------------------|-----------------------|
| Educational Qualification | B.COM., LL.B. Special |
|---------------------------|-----------------------|

Mr. Rajesh G. Shah, aged 58 years, has completed his Bachelor of Commerce (B.COM) and Bachelor of Law (LL.B. Special) both from Gujarat University. He has a rich experience of more than 35 years in the field of Tax Advisory and Tax Consultancy. He worked as a tax adviser at a practicing firm for more than 15 years and then set up his own practice in the year 2000. He also works as a Tax Consultant for several Private and Public, including Listed Companies.

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 |
| Mr. Rajesh G. Shah (Designated as Member w.e.f. 6 th August, 2021) | Member | Additional (Independent) 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 |
| Mr. Rajesh G. Shah (Designated as Member w.e.f. 6 th August, 2021) | Member | Additional (Independent) 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 |
| Mr. Rajesh G. Shah (Designated as Member w.e.f. 6 th August, 2021) | Member | Additional (Independent) Director |

GENERAL INFORMATION

BANKERS :

INDIAN BANK (Erstwhile ALLAHABAD BANK)

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

REGISTRAR AND SHARE TRANSFER AGENT :

Satellite Corporate Services Pvt. Ltd.

Address: Office no.106 & 107,

Dattani Plaza, East West Compound,

Andheri Kurla Road, Safedpul,

Sakinaka-Mumbai – 400 072

Tel.: 022- 28520461/462

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 18th Annual General Meeting ('AGM') of the members of **YUG DECOR LIMITED** will be held on Friday, 10th September, 2021 at 12:00 Noon through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') to transact the following business:

ORDINARY BUSINESS:-

1. **ADOPTION OF AUDITED FINANCIAL STATEMENTS:**

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March, 2021 together with the Board's Report and Report of Auditors thereon.

2. **APPOINTMENT OF DIRECTOR LIABLE TO RETIRE BY ROTATION:**

To appoint a director in place of Mr. Chandresh S. Saraswat (DIN: 01475370), Chairman & Managing Director of the Company, who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:-

3. **APPOINTMENT OF MR. RAJESH G. SHAH (DIN: 09254647) 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, if any, of the Companies Act, 2013 (the 'Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and the Articles of Association of the Company and on the basis of the recommendation of Nomination and Remuneration Committee and approval of Board of Directors, Mr. Rajesh G. Shah (DIN: 09254647), who was appointed as an Additional Director of the Company pursuant to the provisions of Section 161(1) of Companies Act, 2013, by the Board of Directors w.e.f. 6th August, 2021 up to the date of this Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the Company, not subject to retirement by rotation, to hold office for a period of 5 (five) years with effect from 10th September, 2021 upto 9th September, 2026.

4. **REAPPOINTMENT OF MR. CHANDRESH S. SARASWAT (DIN: 01475370), AS THE MANAGING DIRECTOR OF THE COMPANY AND PAYMENT OF REMUNERATION:**

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members of the Company be and is hereby accorded for reappointment of Mr. Chandresh S. Saraswat (DIN: 01475370) as the Managing Director of the Company for a further period of 5 (five) years with effect from 7th February, 2022 upto 6th February, 2027, on terms and conditions including remuneration for a period of 3 (three) years with effect from 7th February, 2022 upto 6th February, 2025 as mentioned in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its power conferred by this Resolution) to alter and vary the terms and conditions of the said reappointment, and/ or remuneration, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

"RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, in the event of any loss, absence or inadequacy of the profits of the Company in any financial year during the period of 3 (three) years with effect from 7th February, 2022 upto 6th February, 2025, the remuneration mentioned in the Explanatory Statement hereunder shall be paid to Mr. Chandresh S. Saraswat as minimum remuneration and the same shall be subject to the limits as set out in Section II of Part

II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force).”

“**RESOLVED FURTHER THAT** the Board of Directors/ Company Secretary of the Company be and are hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of board to give effect to the aforesaid resolution.”

5. REAPPOINTMENT OF MS. ANKITA SARASWAT (DIN: 05342198), AS THE WHOLE TIME DIRECTOR OF THE COMPANY AND PAYMENT OF REMUNERATION:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members of the Company be and is hereby accorded for reappointment of Ms. Ankita Saraswat (DIN: 05342198) as the Whole time Director of the Company for a further period of 5 (five) years with effect from 7th February, 2022 upto 6th February, 2027, on terms and conditions including remuneration for a period of 3 (three) years with effect from 7th February, 2022 upto 6th February, 2025 as mentioned in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its power conferred by this Resolution) to alter and vary the terms and conditions of the said reappointment, and/ or remuneration, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

“**RESOLVED FURTHER THAT** notwithstanding anything to the contrary herein contained, in the event of any loss, absence or inadequacy of the profits of the Company in any financial year during the period of 3 (three) years with effect from 7th February, 2022 upto 6th February, 2025, the remuneration mentioned in the Explanatory Statement hereunder shall be paid to Ms. Ankita Saraswat as minimum remuneration and the same shall be subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force).”

“**RESOLVED FURTHER THAT** the Board of Directors/ Company Secretary of the Company be and are hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of board to give effect to the aforesaid resolution.”

6. REAPPOINTMENT OF MR. ABHAY RAMESHCHANDRA SHRIVASTAVA (DIN: 07719944) AS AN INDEPENDENT DIRECTOR OF THE COMPANY:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and in accordance with the recommendation of Nomination and Remuneration Committee and as approved by the Board of Directors, Mr. Abhay Rameshchandra Shrivastava (DIN: 07719944), Non-Executive Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and also provided his consent as prescribed under the provisions of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Mr. Abhay Rameshchandra Shrivastava’s candidature for the office of Director, who is eligible for reappointment, be and is hereby reappointed as an Non-Executive Independent Director of the Company to hold office for a second term of 5 (Five) years with effect from 7th February, 2022 upto 6th February, 2027 and whose office shall not be liable to retire by rotation.”



“RESOLVED FURTHER THAT pursuant to the provisions of sections 149, 197 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Abhay Rameshchandra Shrivastava be paid such fees as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed by the Company from time to time.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

Date: 6th August, 2021
Registered Office:
709-714, Sakar- V, B/h Natraj Cinema,
Ashram Road, Ahmedabad– 380 009,
Gujarat, India.

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

Chandresh S. Saraswat
Chairman & Managing Director
DIN: 01475370

NOTES:

1. In view of the continuing COVID-19 global pandemic and restrictions imposed on the movement of people, the Ministry of Corporate Affairs ("MCA") vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No.20/2020 dated May 5, 2020, General Circular No. 02/2021 dated January 13, 2021 ("MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 ("SEBI Circulars") has permitted the holding of the Annual General Meeting ("AGM") through Video Conference/ Other Audio Visual Means, without mandating the physical presence of the Members at a common venue. The deemed venue for the 18th AGM shall be the Registered Office of the Company.
2. 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), MCA Circulars and SEBI Circulars, the Company is providing facility of remote e-voting to its Members in respect of the businesses 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.
3. Pursuant to MCA Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the Members can attend the AGM through VC/ OAVM and cast their votes through e-voting. Hence Proxy Form and Attendance Slip are not annexed to this Notice.
4. 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.
5. 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').
6. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice calling the AGM along with the Annual Report 2020-21 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 2020-21 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 remote e-voting facility and e-voting system during AGM.).
7. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the special businesses under Item No. 3, 4, 5 & 6 of the Notice and the relevant details of the Directors seeking appointment/ reappointment as set out under Item No. 3, 4, 5 & 6 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.
8. In terms of the provisions of Section 152 of the Companies Act, 2013, Mr. Chandresh S. Saraswat (DIN: 01475370), Chairman & Managing Director of the Company retires by rotation at ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
9. 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 16th Annual General Meeting, held on 20th September, 2019.



10. The Register of Members and Share Transfer Books of the Company shall remain closed from **Saturday, 4th September, 2021 to Friday, 10th September, 2021** (both days inclusive) for the purpose of 18th AGM.
11. The Company, for the first time, had declared Final Dividend of ₹ 1.40/- per equity share of ₹ 10/- each for the financial year ended 31st March, 2020, at the 17th AGM held on Friday, 11th September, 2020. The full dividend amount was paid to the shareholders whose name appeared in the records of National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as beneficial owners as on the record date. Hence, no amount remaining unclaimed/ unpaid was required to be transferred to the 'Unpaid Dividend' account/ Investor Education & Protection Fund (IEPF) established by the Government.
12. 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.
13. Members holding shares in Demat form are requested to notify any changes in their Addresses with their Depository Participants.
14. To support the 'Green Initiative' Members who have not yet registered their mail addresses are requested to register the same with their Depository Participants.
15. 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.
16. 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.
17. 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.
18. Since the AGM will be held through VC/ OAVM, the Route Map of the AGM venue is not annexed to this Notice.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/ OAVM ARE AS UNDER:

- (i) The voting period begins on **Tuesday, 7th September, 2021 at 9:00 A.M.** and ends on **Thursday, 9th September, 2021 at 5:00 P.M.** During this period shareholders of the Company, holding shares as on the cut-off date (record date) of **Friday, 3rd September, 2021** 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.

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.

- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi/ Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi/ Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/ NSDL/ KARVY/ LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders holding securities in demat mode with NSDL | <ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp |

| | |
|--|---|
| | <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p> |
| <p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p> | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|--|--|
| <p>Individual Shareholders holding securities in Demat mode with CDSL</p> | <p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.</p> |
| <p>Individual Shareholders holding securities in Demat mode with NSDL</p> | <p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p> |

(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) 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.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) 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.
- 6) If you are a first-time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual 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) <ul style="list-style-type: none"> 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. <ul style="list-style-type: none"> 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). |

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Yug Decor Limited> on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) 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.
- (xvi) Facility for Non – Individual Shareholders and Custodians –Remote Voting
- 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 at the email address at **mukeshpamnani23@gmail.com** and to the Company at the email address viz. **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.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/ OAVM & E-VOTING DURING MEETING 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.

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/ OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. 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.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.
9. 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.
10. 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.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. In case the email ID is not registered/ updated, then Shareholders are requested to 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 the Company at cs@yugdecor.com or to the Registrar and Share Transfer Agent (RTA) -Satellite Corporate Services Private Limited at service@satellitecorporate.com, for the limited purpose of receiving the 18th AGM Notice and Annual Report 2020-21.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
 - If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.
 - All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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.
 - 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.
 - 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 working 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.
 - 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. 3:

The Board appointed Mr. Rajesh G. Shah as an Additional Director of the Company at its meeting held on 6th August, 2021 in compliance with the requirements of Section 161(1) of the Companies Act, 2013.

As per section 160 of the Companies Act, 2013, a notice has been received from one of the members of the Company proposing name of Mr. Rajesh G. Shah (DIN: 09254647) as an Independent Director of the Company and who shall not be liable to retire by rotation.

The Nomination & Remuneration Committee has recommended the appointment of Mr. Rajesh G. Shah (DIN: 09254647) 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 he meets the criteria of independence as provided under section 149(6) of the Act.

In the opinion of the Board, Mr. Rajesh G. Shah (DIN: 09254647) fulfill the conditions as specified in the Act and the Rules framed thereunder for appointment of an Independent Director and he is independent of the management. In compliance with the provisions of section 149 read with Schedule IV of the Act, the business of appointment of Mr. Rajesh G. Shah (DIN: 09254647) as an Independent Director to hold office for a period of 5 (five) years with effect from 10th September, 2021 upto 9th September, 2026 is being placed before the Members for their approval.

The terms and conditions of appointment of Mr. Rajesh G. Shah (DIN: 09254647) shall be available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

Rajesh G. Shah (DIN: 09254647) is interested in this resolution since it relates to his 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 Rajesh G. 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.

Item No. 4:

The members of the Company had approved, vide their resolution passed at the Extra Ordinary General Meeting of the Company held on 7th February, 2017, reappointment of Mr. Chandresh S. Saraswat, as the Managing Director of the Company for a period of 5 years with effect from 7th February, 2017 to 6th February, 2022 and payment of remuneration by way of salary, perquisites and allowances to him for a period of 3 years with effect from 7th February, 2017 upto 6th February, 2020, in accordance with Section 197 read with Schedule V of the Companies Act, 2013. Thereafter the board of directors at their meeting held on 10th August, 2019 approved payment of remuneration to Mr. Chandresh S. Saraswat on same terms and conditions of remuneration, for the remaining period of 2 (two) years of his then existing term as Managing Director of the Company, with effect from 7th February, 2020 upto 6th February, 2022. The matter of payment of remuneration for the remaining period of 2 (two) years was approved by the members at the 16th Annual General Meeting held on 20th September, 2019.

So, the term of office of Mr. Chandresh S. Saraswat as Managing Director is upto 6th February, 2022. Accordingly, the Board of Directors at its meeting held on Friday, 6th August, 2021 has approved the reappointment of Mr. Chandresh S. Saraswat as the Managing Director of the Company for a further period of 5 (five) years with effect from 7th February, 2022 upto 6th February, 2027, subject to the approval of the members in the General Meeting and approval of Central Government, if applicable, on the terms and conditions as to the reappointment and payment of remuneration by way of salary, perquisites and allowances for the period of 3 (three) years with effect from 7th February, 2022 upto 6th February, 2025 as mentioned below and more particularly described in the draft agreement to be entered into between the Company and Mr. Chandresh S. Saraswat.

The terms of reappointment and payment of remuneration have been recommended/ approved by the Nomination and Remuneration Committee in its meeting held on 6th August, 2021.

Mr. Chandresh S. Saraswat is a promoter director and has been associated with the Company since year 2007 and he is looking after day to day affairs of the Company. He has vast experience in the field of marketing and overall management of procurement of raw material, production and sales of the products of the Company. Considering the above and on the recommendation made by the Nomination and Remuneration Committee, the Board of Directors are of the opinion that it is in the interest of the Company to reappoint him as a Managing Director of the Company and payment of remuneration.

The terms and conditions of his reappointment and remuneration as the Managing Director are set out in the draft agreement to be entered between the Company and Mr. Chandresh S. Saraswat, a copy whereof duly initialed by the Chairman is placed at the meeting for the purpose of identification and is subject to the approval of Members of the Company.

The main terms and conditions of reappointment including remuneration of Mr. Chandresh S. Saraswat as the Managing Director as set out in the draft agreement, subject to the limits prescribed in Part II of Schedule V of the Companies Act, 2013, placed before the Meeting are as follows:

Broad particulars of the terms of reappointment of and remuneration payable to Mr. Chandresh S. Saraswat are as under:

(a) Term/ period of Reappointment:

Mr. Chandresh S. Saraswat is reappointed as the Managing Director of the Company for a period of 5 (five) years w.e.f. 7th February, 2022 upto 6th February, 2027.

(b) Salary, Perquisites and Allowances:

Period of Remuneration: 3 (three) years-7th February, 2022 upto 6th February, 2025.

Remuneration: Not exceeding ₹ 2,00,000/- (Rupees Two Lakh only) per month.

Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the continuance of the tenure of Mr. Chandresh S. Saraswat as a Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and other allowances as specified above as minimum remuneration subject to the limits set out in Section II of Part II of Schedule V to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force.

(c) Reimbursement of expenses:

He shall be entitled to be reimbursed out of pocket expenses, all costs, charges and expenses, disbursed or incurred by him for and on behalf of and on account of the Company, in the discharge and execution of his duties as Managing Director of the Company or otherwise, in connection with the business and affairs of the Company.

(d) General:

- i. The office of Managing Director may be terminated by the Company or the Managing Director by giving the other 3 (three) months' prior notice in writing.
- ii. The Managing Director shall, subject to the supervision, direction and control of the Board of Directors of the Company, manage the business and affairs of the Company.
- iii. The terms and conditions of reappointment and payment of salary, perquisites & allowances specified herein above may be enhanced, enlarged, widened, altered or varied from time to time by Nomination and Remuneration Committee and the Board of Directors as they may in their discretion, deem fit, within the maximum amount payable to the Managing Director in accordance with Schedule V to the Companies Act, 2013 and in conformity with any amendments to the relevant provisions of the Companies Act and/ or the rules and regulations made thereunder from time to time in future and / or such guidelines as may be announced by the Central Government from time to time.
- iv. The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in the Section 166 of the Companies Act, 2013 with regard to duties of Director.



- v. The Managing Director shall be liable to retire by rotation.
- vi. Such other terms and conditions detailed in the draft agreement to be entered between the Company and Mr. Chandresh S. Saraswat.

A Statement as per requirement of Schedule V of the Companies Act, 2013 is given hereunder containing following information of the Company and Mr. Chandresh S. Saraswat:

| Sr. No. | Particulars | Information | | |
|--|--|--|---------------------------|---------------------------|
| I. GENERAL INFORMATION | | | | |
| 1. | Nature of Industry | Manufacturing of different kinds of Adhesives like synthetic binders, synthetic rubber adhesives, synthetic resin adhesives, natural rubber adhesives, footwear adhesives under the brand name 'Yug Col' | | |
| 2. | Date of commencement of commercial production | 4 th November, 2006 | | |
| 3. | In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus | N.A. | | |
| 4. | Financial Performance based on given indicators | Indicators | 2020-21 (in ₹) | 2019-20 (in ₹) |
| | | Total Revenue | 15,95,91,555 | 17,42,20,371 |
| | | Total Expenses | 15,80,60,810 | 16,61,55,889 |
| | | Profit/ (Loss) after Tax | 11,91,280 | 59,49,888 |
| 5. | Foreign investments or collaborations, if any | N.A. | | |
| II. INFORMATION ABOUT THE APPOINTEE | | | | |
| 1. | Background details | Mr. Chandresh S. Saraswat, aged 55 years, is the Managing Director of the Company. He has completed his Bachelor of Arts from Rajasthan University. He has more than 35 years of experience in the field of marketing with the different Companies engaged in the business of timber, ply-boards and FMCG. | | |
| 2. | Past remuneration | ₹ 5,95,820/- p.a. | | |
| 3. | Recognition or awards | - | | |
| 4. | Job profile and his suitability | Mr. Chandresh S. Saraswat is associated with the Company since 14 years. He looks after the overall management, procurement of raw material, marketing, production and sales of products of the Company, which proves him to be the driving force for the uninterrupted growth and reputation of the organization. | | |
| 5. | Remuneration proposed | Not exceeding ₹ 2,00,000/- p.m. | | |
| 6. | Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) | The proposed remuneration to be paid to Mr. Chandresh S. Saraswat is adequate and at par with the industry scale and size of the Company and experience of the appointee. | | |

| | | |
|-------------------------------|---|--|
| 7. | Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any. | Apart from being a Chairman & Managing Director of the Company and receiving managerial Remuneration, he is a promoter holding 916051 Equity Shares representing 21.97% of the paid up share capital of the Company in his individual capacity. Apart from this, his daughter Ms. Ankita Saraswat, Whole time director of the Company holds 81000 (1.94%) Equity Shares of the Company and his father Mr. Santoshkumar Saraswat, Director holds 535735 (12.85%) Equity Shares of the Company. (Shareholding as on 31 st March, 2021). |
| III. OTHER INFORMATION | | |
| 1. | Reasons of loss or inadequate profits | Subdued revenue generation due to COVID-19 pandemic situation and increase in raw material prices. |
| 2. | Steps taken or proposed to be taken for improvement | The Company is taking sincere efforts to increase the sales by adopting different marketing strategies which will in a way increase its revenue. |
| 3. | Expected increase in productivity and profits in measurable terms | Due to aforesaid steps, the Company expects increase in productivity and profits of the Company in years to come, however much will depend on how the nation address the pandemic situation and the market's response to it. |

None of the Directors or KMP or their relatives, except Ms. Ankita Saraswat, Whole time Director and Mr. Santoshkumar Saraswat, Director of the Company are in any way concerned or interested in this resolution, financially or otherwise.

The details of Mr. Chandresh S. Saraswat 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 Special Resolution.

Item No. 5:

The members of the Company had approved, vide their resolution passed at the Extra Ordinary General Meeting of the Company held on 7th February, 2017, appointment of Ms. Ankita Saraswat, as the Whole time Director of the Company for a period of 5 years with effect from 7th February, 2017 to 6th February, 2022 and payment of remuneration by way of salary, perquisites and allowances to her for a period of 3 years with effect from 7th February, 2017 upto 6th February, 2020, in accordance with Section 197 read with Schedule V of the Companies Act, 2013. Thereafter the board of directors at their meeting held on 10th August, 2019 approved payment of remuneration to Ms. Ankita Saraswat on same terms and conditions of remuneration, for the remaining period of 2 (two) years of her then existing term as Whole time Director of the Company, with effect from 7th February, 2020 upto 6th February, 2022. The matter of payment of remuneration for the remaining period of 2 (two) years was approved by the members at the 16th Annual General Meeting held on 20th September, 2019.

So, the term of office of Ms. Ankita Saraswat as Whole time Director is upto 6th February, 2022. Accordingly, the Board of Directors at its meeting held on Friday, 6th August, 2021 has approved the reappointment of Ms. Ankita Saraswat as the Whole time Director of the Company for a further period of 5 (five) years with effect from 7th February, 2022 upto 6th February, 2027, subject to the approval of the members in the General Meeting and approval of Central Government, if applicable, on the terms and conditions as to the reappointment and payment of remuneration by way of salary, perquisites and allowances for the period of 3 (three) years with effect from 7th February, 2022 upto 6th February, 2025 as mentioned below and more particularly described in the draft agreement to be entered into between the Company and Ms. Ankita Saraswat.

The terms of reappointment and payment of remuneration have been recommended/ approved by the Nomination and Remuneration Committee in its meeting held on 6th August, 2021.

Ms. Ankita Saraswat has been associated with the Company since year 2012 and she is looking after day to day affairs of the Company. She has vast experience in the field of marketing, human resource management



and brand management. Considering the above and on the recommendation made by the Nomination and Remuneration Committee, the Board of Directors are of the opinion that it is in the interest of the Company to reappoint her as a Whole time Director of the Company and payment of remuneration.

The terms and conditions of her reappointment and remuneration as the Whole time Director as set out in the draft agreement to be entered between the Company and Ms. Ankita Saraswat, a copy whereof duly initialed by the Chairman is placed at the meeting for the purpose of identification and is subject to the approval of Members of the Company.

The main terms and conditions of reappointment including remuneration of Ms. Ankita Saraswat as the Whole time Director as set out in the draft agreement, subject to the limits prescribed in Part II of Schedule V of the Companies Act, 2013, placed before the Meeting are as follows:

Broad particulars of the terms of reappointment of and remuneration payable to Ms. Ankita Saraswat are as under:

(a) Term/period of Reappointment:

Ms. Ankita Saraswat is reappointed as the Whole time Director of the Company for a period of 5 (five) years w.e.f. 7th February, 2022 upto 6th February, 2027.

(b) Salary, Perquisites and Allowances:

Period of Remuneration: 3 (three) years-7th February, 2022 upto 6th February, 2025.

Remuneration: Not exceeding ₹ 1,00,000/- (Rupees One Lakh only) per month.

Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the continuance of the tenure of Ms. Ankita Saraswat as a Whole time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and other allowances as specified above as minimum remuneration subject to the limits set out in Section II of Part II of Schedule V to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force.

(c) Reimbursement of expenses:

She shall be entitled to be reimbursed out of pocket expenses, all costs, charges and expenses, disbursed or incurred by her for and on behalf of and on account of the Company, in the discharge and execution of her duties as Whole time Director of the Company or otherwise, in connection with the business and affairs of the Company.

(d) General:

- i. The office of Whole time Director may be terminated by the Company or the Whole time Director by giving the other 3 (three) months' prior notice in writing.
- ii. The Whole time Director shall, subject to the supervision, direction and control of the Board of Directors of the Company, manage the business and affairs of the Company.
- iii. The terms and conditions of re-appointment and payment of salary, perquisites & allowances specified herein above may be enhanced, enlarged, widened, altered or varied from time to time by Nomination and Remuneration Committee and the Board of Directors as they may in their discretion, deem fit, within the maximum amount payable to the Whole time Director in accordance with Schedule V to the Companies Act, 2013 and in conformity with any amendments to the relevant provisions of the Companies Act and/ or the rules and regulations made thereunder from time to time in future and / or such guidelines as may be announced by the Central Government from time to time.
- iv. The Whole time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in the Section 166 of the Companies Act, 2013 with regard to duties of Director.
- v. The Whole time Director shall be liable to retire by rotation.
- vii. Such other terms and conditions detailed in the draft agreement to be entered between the Company and Ms. Ankita Saraswat.

A Statement as per requirement of Schedule V of the Companies Act, 2013 is given hereunder containing following information of the Company and Ms. Ankita Saraswat:

| Sr. No. | Particulars | Information | | |
|--|--|--|--------------------------|--------------------------|
| I. GENERAL INFORMATION | | | | |
| 1. | Nature of Industry | Manufacturing of different kinds of Adhesives like synthetic binders, synthetic rubber adhesives, synthetic resin adhesives, natural rubber adhesives, footwear adhesives under the brand name 'Yug Col' | | |
| 2. | Date of commencement of commercial production | 4th November, 2006 | | |
| 3. | In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus | N.A. | | |
| 4. | Financial Performance based on given indicators | Indicators | 2020-21 (in ₹) | 2019-20 (in ₹) |
| | | Total Revenue | 15,95,91,555 | 17,42,20,371 |
| | | Total Expenses | 15,80,60,810 | 16,61,55,889 |
| | | Profit/ (Loss) after Tax | 11,91,280 | 59,49,888 |
| 5. | Foreign investments or collaborations, if any | N.A. | | |
| II. INFORMATION ABOUT THE APPOINTEE | | | | |
| 1. | Background details | Ms. Ankita Saraswat, aged 30 years, is the Whole time Director of the Company. She has completed her M.B.A. from Amity University. She looks after Marketing & Human Resource activities of the organization since year 2012. With her Management skills, she manages the brand of the Company as well as generates new customers and maintains relations with old customers of the Company. | | |
| 2. | Past remuneration | ₹ 6,19,650/- p.a. | | |
| 3. | Recognition or awards | - | | |
| 4. | Job profile and his suitability | Ms. Ankita Saraswat is associated with the Company since almost 10 years. She looks after the Marketing and Human Resource Management. She also takes care of the Brand related activities of the Company. With her Management Skills, she has carved an eminent position in the organization for herself. | | |
| 5. | Remuneration proposed | Not exceeding ₹ 1,00,000/- p.m. | | |
| 6. | Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) | The proposed remuneration to be paid to Ms. Ankita Saraswat is adequate and at par with the industry scale and size of the Company and experience of the appointee. | | |
| 7. | Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any. | Apart from being a Whole time Director of the Company and receiving managerial remuneration, she belongs to the promoter group holding 81000 Equity Shares representing 1.94% of the paid up share capital of the Company in her individual capacity. Apart from this, her father Mr. Chandresh | | |



| | | |
|-------------------------------|---|--|
| | | S. Saraswat, Chairman & Managing director of the Company holds 916051 (21.97%) Equity Shares of the Company and her Grandfather Mr. Santoshkumar Saraswat, Director of the Company holds 535735 (12.85%) Equity Shares of the Company. (Shareholding as on 31 st March, 2021). |
| III. OTHER INFORMATION | | |
| 1. | Reasons of loss or inadequate profits | Subdued revenue generation due to COVID-19 pandemic situation and increase in raw material prices. |
| 2. | Steps taken or proposed to be taken for improvement | The Company is taking sincere efforts to increase the sales by adopting different marketing strategies which will in a way increase its revenue. |
| 3. | Expected increase in productivity and profits in measurable terms | Due to aforesaid steps, the Company expects increase in productivity and profits of the Company in years to come, however much will depend on how the nation address the pandemic situation and the market's response to it. |

None of the Directors or KMP or their relatives, except Mr. Chandresh S. Saraswat, Chairman & Managing Director are in any way concerned or interested in this Resolution, financially or otherwise.

The details of Ms. Ankita Saraswat 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 Special Resolution.

Item No. 6:

Mr. Abhay Rameshchandra Shrivastava (DIN: 07719944) was appointed as Independent Director of the Company pursuant to Section 149 of the Companies Act ("the Act") read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, by the members at the Extra Ordinary General Meeting held on Tuesday, 7th February, 2017 for a period of 5 consecutive years w.e.f. 7th February, 2017 to 6th February, 2022.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee and on the basis of the performance evaluation, considers that given his background and experience and contributions made by him during his tenure, the association of Mr. Abhay Shrivastava would be beneficial to the Company and it is desirable to reappoint Mr. Abhay Shrivastava as an Independent Director.

Resolution for reappointment of Mr. Abhay Shrivastava as the Independent Director of the Company for another term of Five (5) years i.e. with effect from 7th February, 2022 upto 6th February, 2027, not liable to retire by rotation is placed before the members for their approval.

Mr. Abhay Shrivastava does not hold by himself or for any other person on a beneficial basis, any shares in the Company. He has given a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board of Directors of the Company, Mr. Abhay Shrivastava fulfils the conditions specified in the Companies Act, 2013 & Rules made there under and he is independent of Management.

None of the Directors or KMP or their relatives are in any way concerned or interested in this resolution, financially or otherwise.

The details of Mr. Abhay Shrivastava 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 Special Resolution.

Date: 6th August, 2021

**Registered Office:
709-714, Sakar- V, B/h Natraj Cinema,
Ashram Road, Ahmedabad- 380 009,
Gujarat, India.**

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

**Chandresh S. Saraswat
Chairman & Managing Director
DIN: 01475370**

ANNEXURE OF THE NOTICE

- (i) 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 reappointment due to retirement by rotation, reappointment on completion of tenure of Managing Director and Whole time Director, reappointment of Independent Director and appointment of Independent Director, is given below:

| | | | | |
|---|---|---|--|---|
| Name of Director | Chandresh S. Saraswat, Chairman & Managing Director (DIN: 01475370) | Ankita Saraswat, Whole time Director (DIN: 05342198) | Abhay Srivastava, Independent Director (DIN: 07719944) | Rajesh G. Shah, Additional Director (Independent Director Category) (DIN: 09254647) |
| Date of Birth/Age | 03/04/1966 (55 years) | 28/07/1991 (30 years) | 18/10/1962 (58 years) | 12/08/1963 (57 years) |
| Date of First Appointment | 19/06/2007 | 28/07/2012 | 07/02/2017 | 06/08/2021 |
| Qualification | B.A., P.G.D.M. | M.B.A | B. Sc., Master in Marketing Management | B.COM, LL.B. |
| Terms and Conditions of appointment or re-appointment | As per the draft agreement to be executed by the Company with him | As per the draft agreement executed to be by the Company with her | Letter of Appointment | Letter of Appointment |
| Expertise in Specific functional areas | Expertise in the field of Marketing, HR Management, Supply Chain Management | Expertise in the field of Marketing, Human Resources Management and Brand Management | Expertise in the field of Marketing and Brand Management | Expertise in the field of Accounting and Taxation |
| Number of shares held in the Company (As on 31-03-2021) | 916051 Equity Shares | 81000 Equity Shares | NIL | NIL |
| Past Remuneration | ₹ 5,95,820/- p.a. | ₹ 6,19,650/- p.a. | Sitting Fees only | Sitting Fees only |
| Remuneration Proposed | Not exceeding ₹ 2,00,000/- p.m. | Not exceeding ₹ 1,00,000/- p.m. | Sitting Fees only | Sitting Fees only |
| List of other Companies in which Directorships are held | NIL | NIL | NIL | NIL |
| Memberships/ Chairpersonships of committees of other Board | NIL | NIL | NIL | NIL |
| No. of Board Meetings attended during the year 2020-21 | 4/4 | 4/4 | 4/4 | NA |
| Relationship with other Directors/ Manager and other Key Managerial Personnel | Immediate Relative of Ms. Ankita Saraswat, Whole time Director of the Company & Mr. Santoshkumar Saraswat, Director of the Company. | Immediate Relative of Mr. Chandresh S. Saraswat, Chairman & Managing Director of the Company. | NIL | NIL |

BOARD'S REPORT

Dear Members,

The Board of Directors is pleased to present the 18th Annual Report on the business and operations of the Company along with the Audited Financial Statements for the financial year ended on 31st March, 2021.

FINANCIAL HIGHLIGHTS:

The key financial figures of your Company for the financial year ended 31st March, 2021 are as under:

(Amount in ₹)

| Particulars | 31/03/2021 | 31/03/2020 |
|---|---------------------|---------------------|
| Net Revenue from operations | 15,94,83,197 | 17,39,51,226 |
| Add: Other Income | 1,08,358 | 2,69,145 |
| Total Revenue | 15,95,91,555 | 17,42,20,371 |
| Expenditure | 15,05,65,123 | 15,84,00,311 |
| Profit/ (Loss) before Finance Cost, Depreciation & Amortization and Tax Expenses | 90,26,432 | 1,58,20,060 |
| Less: Finance Cost | 26,01,556 | 26,33,200 |
| Less: Depreciation & Amortization | 48,94,131 | 51,22,379 |
| Profit/ (Loss) Before Tax | 15,30,745 | 80,64,482 |
| Less: Taxation | | |
| i) Current Tax | 10,88,000 | 6,04,630 |
| ii) Deferred Tax | (7,48,535) | 15,09,964 |
| Total Tax (i+ii) | 3,39,465 | 21,14,594 |
| Profit/ (Loss) after Tax | 11,91,280 | 59,49,888 |
| Add: Balance brought forward from previous year | 21,39,870 | 20,27,655 |
| Total amount available for appropriation | 33,31,150 | 79,77,543 |
| Less: Equity Dividend Paid | - | 58,37,672 |
| Balance carried forward to next year's accounts | 33,31,150 | 21,39,870 |

Note: The above figures are extracted from the Annual Financial Statements for the year ended 31st March, 2021.

OVERVIEW OF COMPANY'S PERFORMANCE:

The Key points pertaining to the business of the Company for the year 2020-21 and period preceding thereto have been given hereunder:

- The Total revenue of the Company during the Financial year 2020-21 was ₹ **15,95,91,555/-** against the total revenue of ₹ **17,42,20,371/-** in the previous financial year 2019-20.
- The Total expenses of the Company during the financial year 2020-21 was ₹ **15,80,60,810/-** against the expenses of ₹ **16,61,55,889/-** in the previous financial year 2019-20.
- The Profit after tax was ₹ **11,91,280/-** for the financial year 2020-21 as compared to the Profit after tax of ₹ **59,49,888/-** in the previous financial year 2019-20.

The performance of the Company in terms of overall revenue generation subdued due to the COVID-19 pandemic, the lockdown and the overall economic slowdown. The demand for the Company's products remained muted due to sluggish market conditions during the first quarter of the F.Y. 2020-21.

In addition to this, the raw material prices in the second half of the financial year under review saw inflationary pressures, mainly due to global supply-demand gaps, force majeure and shipping-line disruptions and delays.

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:

After considering the present circumstances holistically and keeping in view the need to conserve the resources in the long run for future, the Board of Directors of the Company decided that it would be prudent not to recommend any Dividend for the year under review.

TRANSFER TO RESERVES:

The Company has not transferred any amount to the reserves for the Financial Year ended 31st March, 2021.

CHANGE IN NATURE OF BUSINESS:

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

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:

The Financial Year 2020-21 begin with the pandemic situation created by the spread of the Corona Virus (COVID-19), all over the world and day to day life across the globe came to a virtual stop and the Company was not an exception to this. The operations at the manufacturing units of the Company were halted for some days between the months of March, 2020 to May, 2020, considering the wellness and safety of its people and complying with Government directives. The situation took a quarter's time to witness some amount of normalcy returning to the economy.

Following the easing of COVID-19-related restrictions, demand conditions of the Company's products improved in the balance quarters of the year. New construction and renovation, as well as strong holiday demand, bolstered the recovery.

The Company has considered the possible effects that may result from the COVID-19 pandemic in the preparation of the financial statements including the recoverability of carrying amount of property, plant & equipment and current assets. In developing the assumptions relating to the future uncertainties in the global economic conditions because of the pandemic, the Company has at the date of approval of the financial statements, evaluated the overall economic environment, liquidity position, debt status, recoverability of receivables. The Company currently does not anticipate any further impairment of it.

Looking to the uncertainties, the impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of the financial statements.

Having endured and managed to recover from the disruptions induced by a once-in-a-century event, your Company is cautiously looking forward to 2021-22 with hopes of putting up a better show in the post-COVID-19 world, although a lot will hinge on how the economy grows.

APPOINTMENT AND RESIGNATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

1. In accordance with the provisions of Section 152(6) of the Companies Act and Articles of Association, Mr. Chandresh S. Saraswat (DIN: 01475370), Chairman & Managing Director of the Company, shall retire by rotation and being eligible offers himself for reappointment at the ensuing Annual General Meeting of the Company.



2. Upon recommendation of Nomination & Remuneration Committee, Mr. Rajesh G. Shah (DIN: 09254647) was appointed as the Additional Director (Independent Director Category) of the Company in their Board Meeting held on 6th August, 2021 w.e.f. 6th August, 2021, till the date of ensuing Annual General Meeting.

The business of appointment of Mr. Rajesh G. Shah (DIN: 09254647) as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 (five) years w.e.f. the ensuing AGM i.e.10th September, 2021 is being placed before the Members for their approval.

3. Ms. Zarna Shah was appointed as the Independent Director, by the members of the Company in their 17th Annual General Meeting, w.e.f. 11th September, 2020. She resigned from the office of Director w.e.f. 6th August, 2021 due to preoccupation and other personal reasons. The Company had received a confirmation that there are no material reasons for her resignation other than the reasons provided by her.

In the opinion of the Board, Ms. Zarna Shah was a person of integrity, expert and experienced (including the proficiency).

4. Mr. Sunil Thakore (DIN: 08013740) ceased to be the Independent Director w.e.f. the closing hours of 31st August, 2020, upon completion of his tenure as the Independent Director of the Company. The Board placed 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.
5. Mr. Chandresh S. Saraswat (DIN: 01475370), Chairman & Managing Director of the Company was reappointed as the Managing Director by the members of the Company at the Extra Ordinary General Meeting of the Company held on 7th February, 2017.

Considering his vast experience in the field of Marketing and Management and his association in the day to day affairs of the Company and based on the recommendation made by the Nomination and Remuneration Committee, the Board of Directors are of the opinion that it would be in the interest of the Company to reappoint him for a further period of 5 (five) years and fixation of his remuneration for a period of 3 (three) years subject to the approval of members in the ensuing Annual General Meeting.

The Business of reappointment of Mr. Chandresh S. Saraswat is placed before the members for their approval.

6. Ms. Ankita Saraswat (DIN: 05342198), Whole time Director of the Company was appointed as the Whole time Director by the members of the Company at the Extra Ordinary General Meeting of the Company held on 7th February, 2017.

Considering her vast experience in the field of Human Resource Management, Brand Management and Marketing and her long association with the Company and based on the recommendation made by the Nomination and Remuneration Committee, the Board of Directors are of the opinion that it would be in the interest of the Company to reappoint her for a further period of 5 (five) years and fixation of her remuneration for a period of 3 (three) years subject to the approval of members in the ensuing Annual General Meeting.

The Business of reappointment of Ms. Ankita Saraswat is placed before the members for their approval.

7. Mr. Abhay Rameshchandra Shrivastava (DIN: 07719944), Non-Executive Independent Director of the Company was appointed as Independent Director by the members at the Extra Ordinary General Meeting held on 7th February, 2017 for a period of 5 consecutive years w.e.f. 7th February, 2017 to 6th February, 2022.

Based on the performance evaluation and considering his background and experience, the Nomination and Remuneration Committee recommended to the Board, re-appointment of Mr. Abhay R. Shrivastava for the second term of 5 (five) years from 7th February, 2022 upto 6th February, 2027.

The Board considered the recommendation made by the Nomination and Remuneration Committee and approved reappointment of Mr. Abhay R. Shrivastava, as the Independent Director, in their meeting held on 6th August, 2021, subject to the approval of members in the ensuing Annual General Meeting.

In the opinion of the Board, Mr. Abhay R. Shrivastava is a person of integrity, expert and experienced (including the proficiency).

MEETINGS OF THE BOARD OF DIRECTORS:

The Board is vested with the power of governance, control, direction and management of affairs of the Company. The Board provides strategic direction and guidance to the Company and has been steering the Company towards achieving its business objectives. Driven on the principles of ethics and accountability, the Board strives to work in best interest of the Company and its stakeholders.

The Board met **4 times** during the year on 25th June, 2020, 8th August, 2020, 10th November, 2020 and 15th February, 2021 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 year 2020-21 | Attendance at the last AGM held on 11 th September, 2020 |
|-------------------------------------|---|---|---|
| Mr. Chandresh S. Saraswat | Chairman & Managing Director | 4/4 | Yes |
| Ms. Ankita Saraswat | Whole time Director | 4/4 | Yes |
| Mr. Santosh Kumar Saraswat | Non-Executive Director | 4/4 | Yes |
| Mr. Abhay Rameshchandra Shrivastava | Non-Executive Independent Director | 4/4 | Yes |
| Mr. Sunil Thakore* | Non-Executive Independent Director | 2 /4 | - |
| Ms. Zarna Shah [#] | Non-Executive Independent Director | 3 /4 | Yes |
| Mr. Rajesh G. Shah [@] | Additional Director (Independent Director Category) | - | - |

Note:

*Mr. Sunil Thakore ceased to be the Independent Director of the Company w.e.f. the closing hours of 31st August, 2020, upon completion of his tenure as the Independent Director of the Company.

[#]Ms. Zarna Shah was appointed as the Independent Director, by the members of the Company, w.e.f. 11th September, 2020. She resigned from the office of Director w.e.f. 6th August, 2021 due to preoccupation and other personal reasons.

[@]Mr. Rajesh G. Shah was appointed as an Additional Director (Independent Director Category) of the Company w.e.f. 6th August, 2021.

MEETING OF MEMBERS:

During the year under review, 17th Annual General Meeting was held on Friday, 11th September, 2020. No Extra Ordinary General Meeting (EGM) was held during the year.

COMMITTEES OF THE BOARD:

The Board committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/ activities which concern the Company and need a closer review. The Board committees are set up under the formal approval of the Board, to carry out clearly defined roles which are considered to be performed by the members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. All decisions and recommendations of the committees are placed before the Board for information or for approval. The minutes of the meetings of all the committees are placed before the Board for their review.

The Board currently has 3 (three) committees:

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. 2020-21 |
|---------|---------------------------------|---------------------|--|---|
| 1. | Mr. Abhay Shrivastava | Chairman | Non-Executive Independent Director | 2/2 |
| 2. | Mr. Santosh Kumar Saraswat | Member | Non-Executive Director | 2/2 |
| 3. | Mr. Sunil Thakore* | Member | Non-Executive Independent Director | 1/2 |
| 4. | Ms. Zarna Shah [#] | Member | Non-Executive Independent Director | 1/2 |
| 5. | Mr. Rajesh G. Shah [@] | Member | Additional Director (Independent Director Category) | - |

Note:

*Mr. Sunil Thakore ceased to be a member of the committee w.e.f. 8th August, 2020.

[#]Ms. Zarna Shah was designated as the member of the committee w.e.f. 8th August, 2020. She ceased to be the member w.e.f. 6th August, 2021.

[@]Mr. Rajesh G. Shah was designated as the member of the committee w.e.f. 6th August, 2021.

- c) Number of Meetings held during the year:
Audit Committee met 2 times during the year under review on 25th June, 2020 and 10th November, 2020. 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. 2020-21 |
|---------|---------------------------------|---------------------|--|---|
| 1. | Mr. Abhay Shrivastava | Chairman | Non-Executive Independent Director | 1/1 |
| 2. | Mr. Santosh Kumar Saraswat | Member | Non-Executive Director | 1/1 |
| 3. | Mr. Sunil Thakore* | Member | Non-Executive Independent Director | 1/1 |
| 4. | Ms. Zarna Shah [#] | Member | Non-Executive Independent Director | - |
| 5. | Mr. Rajesh G. Shah [@] | Member | Additional Director (Independent Director Category) | - |

Note:

*Mr. Sunil Thakore ceased to be a member of the committee w.e.f. 8th August, 2020.

[#]Ms. Zarna Shah was designated as the member of the committee w.e.f. 8th August, 2020. She ceased to be the member w.e.f. 6th August, 2021.

[@]Mr. Rajesh G. Shah was designated as the member of the committee w.e.f. 6th August, 2021.

- c) Number of Meetings held during the year:

Nomination & Remuneration Committee met once during the year under review on 8th August, 2020. 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. 2020-21 |
|---------|---------------------------------|---------------------|--|---|
| 1. | Mr. Abhay Shrivastava | Chairman | Non-Executive Independent Director | 4/4 |
| 2. | Mr. Santosh Kumar Saraswat | Member | Non-Executive Director | 4/4 |
| 3. | Mr. Sunil Thakore* | Member | Non-Executive Independent Director | 2/4 |
| 4. | Ms. Zarna Shah [#] | Member | Non-Executive Independent Director | 2/4 |
| 5. | Mr. Rajesh G. Shah [@] | Member | Additional Director (Independent Director Category) | - |

Note:

*Mr. Sunil Thakore ceased to be a member of the committee w.e.f. 8th August, 2020.



#Ms. Zarna Shah was designated as the member of the committee w.e.f. 8th August, 2020. She ceased to be the member w.e.f. 6th August, 2021.

@Mr. Rajesh G. Shah was designated as the member of the committee w.e.f. 6th August, 2021.

c) Number of Meetings held during the year:

Stakeholders Relationship Committee met 4 times during the year under review on 25th June, 2020, 8th August, 2020, 10th November, 2020 and 15th February, 2021.

INDEPENDENT DIRECTORS' MEETING:

The Independent Directors met on 15th February, 2021, 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 from the Independent Directors of the Company, 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, as amended from time to time, 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,2021;
- (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 AUDITORS & 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. The Statutory Auditors have confirmed that they satisfy the independence criteria as required under the Act.

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 AUDITORS & 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, Practicing Company Secretaries, Ahmedabad, to carry out Secretarial Audit of the Company for the Financial Year 2020-21.

The Secretarial Audit Report for the Financial Year 2020-21 is appended as **Annexure-II** to this report. This Report does not contain any qualification, reservation, adverse remark or disclaimer.

3. INTERNAL AUDITORS-

The Board of Directors has appointed Mr. Narendrakumar Y. Tiwari, Proprietor of M/s. Narendra Y. Tiwari & Associates (FRN: 154258W), Chartered Accountants, Ahmedabad, as the Internal Auditors of the Company for the Financial Year 2021-22.

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:

Pursuant to provisions of Section 143(12) of the Companies Act, 2013, as amended from time to time, the Statutory Auditors have not reported any incident of fraud to the Company during the year under review.

ANNUAL 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:

As per the requirement of Section 134(3)(a) and 92(3) of the Companies Act, 2013 read with rules made there under, as amended from time to time, the extract of Annual return for F.Y. 2020-21 is appended to this Report as **Annexure-IV**.

The Annual Return as on 31st March, 2021 in Form MGT-7 is available on the website of the Company at www.yugdecor.com

INTERNAL FINANCIAL CONTROLS:

The Company has adopted policies and procedures including 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 the Company's policies, safeguarding of its assets, prevention and detection of fraud and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures under the Companies Act, 2013.

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 and in the ordinary course of business.

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, 2021 and the date of this report i.e. 6th August, 2021.

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, 2021, the company has not received any complaints pertaining to sexual harassment.

HUMAN RESOURCES:

The Company believes in a culture of inclusion, trust, skill development, empowerment and development for its employees. It considers its human resources as its biggest asset and believes in people at the heart of its human resource strategy which set the Company apart from Company's peers. It also believes that the employees continuously strive to make the organization as inclusive as possible. The Company's organization structure is agile and focused on delivering business results. With regular communication and sustained efforts, it is ensuring that employees are aligned on common objectives and goals of the business. Industrial relations continue to remain cordial.

HEALTH, SAFETY AND ENVIRONMENT:

At Yug Decor, the people are the greatest asset, and their safety, health, and well-being is of utmost importance to us. The Company endeavors to provide a safe, conducive and productive work environment by undertaking various measures at its manufacturing facilities to ensure no injury or accident. Several other measures have been taken by the Company to ensure health and safety of its employees in the light on COVID-19 pandemic. The Company's ethos of environment protection by development of environment friendly processes for effective usage of resources is based on the belief that nature is a precious endowment to humanity.

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, 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 for 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:

The Board oversees Company's processes for determining risk tolerance and review management's action and comparison of overall risk tolerance to established levels. The framework is designed to enable risks to be identified, assessed and mitigated appropriately. Major risks are identified by the businesses and functions are systematically addressed through appropriate actions on a continuous basis. The details of the same are set out in Management Discussion and Analysis Report.

INSIDER TRADING REGULATIONS:

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Company has adopted a code of conduct to regulate, monitor and report trading by Designated Persons and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI). All Directors, Senior Management Personnel, person forming part of Promoter(s)/ Promoter(s) Group(s) and such other Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by this Code.

The Codes are available on the website of the Company at <http://yugdecor.com/codes-policies-other/>

VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

In line with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, 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 incidents of 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>

During the financial year 2020-21, no cases under this mechanism were reported to the Company.

APPRECIATION:

The Directors take this opportunity to express their gratitude to the esteemed customers, shareholders, distributors, dealers, consultants etc. for their unstinted support.

The Directors also placed on record their belief that the consistent growth of the Company was only made possible by the solidarity, cooperation and support of its employees at all levels.

The Directors seek and look forward to the same support during the future years of growth of the Company.

By Order of the Board of Directors
YUG DECOR LIMITED

Chandresh S. Saraswat
Chairman & Managing Director
DIN: 01475370

Date: 6th August, 2021
Place: Ahmedabad

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) | 2.75:1 |
| 2. | Ms. Ankita Saraswat (Whole time Director) | 2.86:1 |

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 | - |
| 4. | Ms. Barkha Lakhani | Company Secretary & Compliance Officer | - |

III. The Median Remuneration of the employees of the Company during the Financial Year:
₹ 2,16,816/-.

IV. The percentage decrease in the median remuneration of employees in the financial year: 19.00%

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

The number of employees as on 31st March, 2021 was 64.

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 BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2021.

| Sr. No. | Name & Age of the Employee | Present Designation | Remuneration received | Qualifications and Experience | Date of Commencement of employment | Last employment | % of Equity Shares held as on 31-03-2021 |
|---------|-------------------------------|---|-----------------------|---|------------------------------------|--------------------------------------|--|
| 1. | Jitesh Tiwari (46 years) | Vice President (resigned w.e.f. 30-07-2021) | ₹ 9,04,560/- | B.A., Master in Marketing Management (27 years) | 01-03-2019 | HOF Furniture System Pvt. Ltd. Delhi | - |
| 2. | Ankita Saraswat (30 years) | Whole time Director | ₹ 6,19,650/- | M.B.A (9 years) | 28-07-2012 | ICICI Securities Limited | 1.94% |
| 3. | Chandresh Saraswat (55 years) | Chairman & Managing Director | ₹ 5,95,820/- | B.A., P.G.D.M. (35 years) | 19-06-2007 | Nikhil Adhesives Ltd, Mumbai | 21.97% |



| Sr. No. | Name & Age of the Employee | Present Designation | Remuneration received | Qualifications and Experience | Date of Commencement of employment | Last employment | % of Equity Shares held as on 31-03-2021 |
|---------|---------------------------------------|-----------------------------------|-----------------------|-------------------------------|------------------------------------|------------------------------|--|
| 4. | Sanjay Rathore (47 years) | Area Sales Manager-Madhya Pradesh | ₹ 5,95,820/- | Higher Secondary (29 years) | 01-05-2018 | Vaidika Polyfix Pvt. Ltd. | - |
| 5. | Pankaj Ramakant Tiwari (38 years) | Deputy Regional Manager | ₹ 5,81,210/- | B.A. (16 years) | 01-04-2012 | Jubilant Industries Limited | 0.10% |
| 6. | Dharmesh Pandya (50 years) | Area Sales Manager | ₹ 4,98,206/- | B.Com (23 years) | 01-03-2019 | Nikhil Adhesives Ltd, Mumbai | 0.10% |
| 7. | Lokeshkumar Edival(34 years) | Chief Financial Officer | ₹ 4,92,150/- | B.Com, C.A.,C.S. (10 years) | 07-01-2017 | P. D. Goinka & Co. (C.A.) | - |
| 8. | Kishor Madhavsingh Thakore (47 years) | Production Manager | ₹ 4,82,755/- | Under Graduate (15 years) | 04-11-2006 | Karan Adhesives Pvt. Ltd. | 0.12% |
| 9. | Jatadhari Sahu (39 Years) | Production Manager | ₹ 4,82,130/- | Under Graduate (13 years) | 01-08-2008 | Kores India Limited | 0.12% |
| 10. | Ravi Shankar Tiwari (48 years) | Territory Manager-Bangalore | ₹ 4,49,095/- | B.Com (19 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 Chairman & 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

Chandresh S. Saraswat
Chairman & Managing Director
DIN: 01475370

Date: 6th August, 2021
Place: Ahmedabad

ANNEXURE-II
Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2021
[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 31.03.2021, 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 31.03.2021 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

Mukesh Pamnani
Proprietor
M. No.: F10166, C P No.: 12925
UDIN: F010166C000747287

Date: 6th August, 2021
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

Mukesh Pamnani
Proprietor
M. No.: F10166, C P No.: 12925
UDIN: F010166C000747287

Date: 6th August, 2021
Place: Ahmedabad



ANNEXURE-III

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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.

Expansion of the furniture, woodworking, and construction industries, rising urban population, increase in remodeling & renovation activities, and recovery of the global economy have been the significant factors contributing to the growth of the global wood adhesives market. Amongst sports industry, furniture industry, handicrafts, paper and paper products, textile industry etc., furniture is the largest end-use application of wood adhesives. Expansion of the housing sector and growth of the furniture industry have propelled the demand for wood adhesives. Diverse product portfolios, strategically positioned R&D centers, adoption of development strategies, and technological advancements have helped the companies globally to strengthen their position in the global wood adhesives market.

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 footwear industry currently uses a large diversity of materials and over time this has increased the challenges placed on the adhesives industry, since bonding dissimilar materials with good performance requires specially formulated adhesives. Adhesives used in this industry are varied and their producers are always developing new products, following closely the market demands mainly due to the introduction of new materials according to fashion trends.

The Company had continued to remain focused on providing quality products to sustain its business and put up its best performance to strive to lead the competition in the domestic and international market too.

OUTLOOK:

Financial Year 2021 was a year of pandemic. While the industry saw a quick trailer of the COVID-19 pandemic in March, 2020, it faced a full brunt of the pandemic during the year under review. However, despite the pandemic, the industry saw a see-saw in its performance with an extremely low quarter one and steady picking up demand during the balance quarters.

The global and domestic economic outlook for the financial year ended 2022 remains highly uncertain. India has been witnessing a deluge of infections and concerned of COVID waves. The recouping of the market situations will depend on how well the pandemic can be contained and how fast the vaccination is done throughout the population.

However, the Company is cautiously optimistic for FY 22 with the work done so far within the Company to make it more nimble, agile and future ready with leading quality of products through innovation. The Company will continue to revamp by expanding the product range, while relooking at its business strategy and models, wherever necessary.

FINANCIALS:

The Key points pertaining to the business of the Company for the year 2020-21 and period preceding thereto have been given hereunder:

- The Total revenue of the Company during the Financial year 2020-21 was ₹ **15,95,91,555/-** against the total revenue of ₹ **17,42,20,371/-** in the previous financial year 2019-20.
- The Total expenses of the Company during the financial year 2020-21 was ₹ **15,80,60,810/-** against the expenses of ₹ **16,61,55,889/-** in the previous financial year 2019-20.
- The Profit after tax was ₹ **11,91,280/-** for the financial year 2020-21 as compared to the Profit after tax of ₹ **59,49,888/-** in the previous financial year 2019-20.

The performance of the Company in terms of overall revenue generation subdued due to the COVID-19 pandemic, the lockdown and the overall economic slowdown. The demand for the Company's products remained muted due to sluggish market conditions during the first quarter of the F.Y. 2020-21.

In addition to this, the raw material prices in the second half of the financial year under review saw inflationary pressures, mainly due to global supply-demand gaps, force majeure and shipping-line disruptions and delays.

Key Financial Ratios: (in times/ %)

| Sr. No. | Ratio | 2020-21 | 2019-20 |
|---------|---------------------------------|---------|---------|
| 1. | Debtors Turnover (times) | 1.90 | 2.29 |
| 2. | Inventory Turnover (times) | 8.74 | 10.20 |
| 3. | Interest Coverage Ratio (times) | 1.59 | 4.06 |
| 4. | Current Ratio (times) | 1.93 | 1.97 |
| 5. | Debt Equity Ratio (times) | 1.13 | 1.11 |
| 6. | Operating Profit Margin (%) | 2.59 | 6.15 |
| 7. | Net Profit Margin (%) | 0.75 | 3.42 |
| 8. | Return on Net Worth (%) | 1.92 | 9.78 |

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 decreased earnings before interest and taxes (EBIT) of the Company.

ii. Operating Profit Margin:

Significant change in operating profit margin is due to decline in revenue from sales compared to the last financial year. The Company tried to put up its best performance, but the pandemic posed several challenges in generating sales.

Moreover, there was an increase in the raw material cost in the second half of the financial year under review. Due to no increase in the corresponding selling price by the leading players, the Company was unable to subsume the impact of increase in raw material cost in its selling price.

iii. Net Profit Margin and Return on Net Worth:

The decrease in revenue and net profit of the Company as compared to the previous financial year resulted in declining of net profit margin and return on net worth. However a positive return on net worth shows the Company's strength in generating profits on the shareholders' equity even in the pandemic hit year.

OPPORTUNITIES AND THREATS:

The demand of the Company's products is steadily increasing both in India and abroad. The Company is ready to take the challenges of increased demand by continuously adding capacities, investing in upgradation of its manufacturing capacities and also striving to achieve cost efficiencies. The Company's decade's long experience and deep distribution network well positions the Company to take advantage of the opportunities in the market in the upcoming years.

With expanding capacity of existing players and emergence of new entrants, competition is a sustained threat for the business of the Company. Strategic initiatives to enhance the brand equity through enhanced marketing strategies along with value added products and services have been the thrust areas of the Company.

RISKS AND CONCERNS:

The Company's governance structure has well-defined roles and responsibilities, which enables and empowers the management to identify, assess and leverage business opportunities and manage risks effectively. The Company has identified the below mentioned risk and suggested the mitigation strategy:

☞ Risk of COVID-19 Pandemic:

The economic fallout from the pandemic is hurting both the demand and supply side. The Company is engaged in manufacturing of those products that its consumption becomes discretionary. The lockdown

and the slow unlocking have impacted the supply. Ramping up production while maintaining social distancing and ensuring safety of workers can be a matter of concern.

Mitigations: The Company adheres to following strict protocols at all the work places in accordance with the Government guidelines. Moreover, the Company has taken best efforts of getting all its employees vaccinated to ensure everyone's safety.

☞ **Risk associated with raw material and supply:**

The Company purchases raw materials which are prone to price fluctuations. Most of the raw material that the Company puts in use is imported. Shipping line disruptions and global demand-supply gaps, results in shortage of raw materials supply which then contributes to the increase in raw material cost. The increase/ decrease in the cost of raw materials have a direct impact on profitability.

Mitigations: The Company tracks the changes in the price of raw material and maintains adequate inventory to avoid purchasing them at higher prices.

☞ **Credit Risk:**

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.

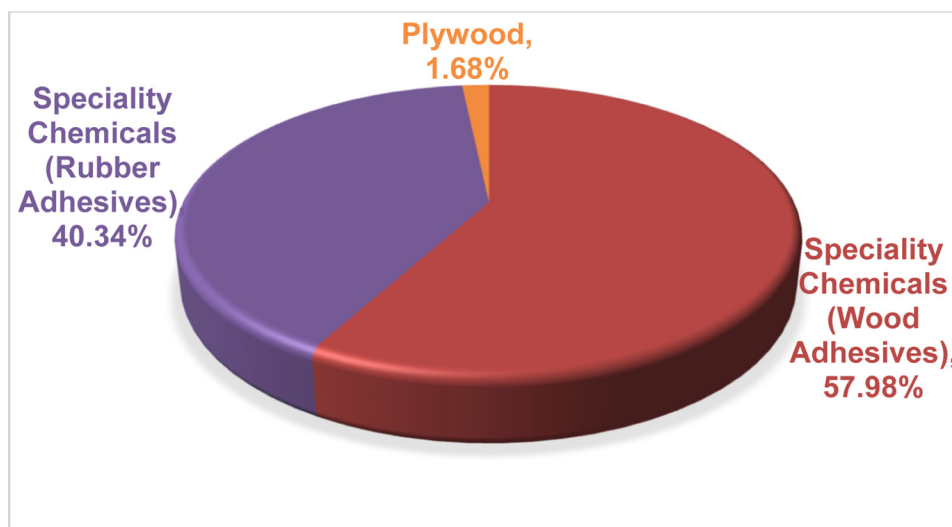
Mitigations: The effective risk management practices of the Company includes regular evaluation of creditability of customers, frequent review of credit limits of the customers and fixing/ tightening of credit limits according to the track record of the customers.

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. The Company follows a strong system of internal controls to ensure that all assets are safeguarded and protected against loss from any authorized use or disposition and that the transactions are authorized, recorded and reported quickly. It reviews the adequacy of internal control system from time to time. The internal controls are designed to maintain the transparency and adequacy of the financials and other records, which are reliable resources for preparing financial reports and other data.

The Company's Audit Committee reviews adequacy and effectiveness of its internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

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



During the Financial Year under review:

- Wood Adhesives continued to make highest contribution to the sales revenue with 57.98% sales in proportion to the total sales.

- Rubber Adhesives made the 2nd highest contribution with 40.34% sales in proportion to the total sales.
- The sales volume attributed to the Plywood segment increased from 1% to 1.68% in the financial year under review.

Focusing on the positives, the Company has tried to maintain its profitability position even in this hard hit pandemic year and to some extent has been able to make up for it. Even if, there is degrowth of 8.40% in terms of overall revenue generation compared to the previous financial year, the company is optimistic that as soon the market conditions come in favor to the pre-covid scenario, it will be able to perform a notch higher than what it has been doing.

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

The Company's human resources are the strong foundation for creating many possibilities for its business. The efficient operations of manufacturing units, market development and its expansion were the highlight of our people's effort. Despite the paradigm shift in the market situations, the Company was able to collaborate at all levels and create a performance-driven productive environment by engaging and communicating with all employees. 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, 2021 was 64.

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

Chandresh S. Saraswat
Chairman & Managing Director
DIN: 01475370

Date: 6th August, 2021
Place: Ahmedabad



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

As on financial year ended on 31st March, 2021
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: Office no.106 & 107, Dattani Plaza,East West Compound, Andheri Kurla Road, Safedpul, Sakinaka-Mumbai – 400 072 Tel.: 022- 28520461/462 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 | 98.32% |

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 31 st March, 2020] | | | | No. of Shares held at the end of the year [As on 31 st March, 2021] | | | | Change % during the year |
|--|--|----------|----------------|-------------------|--|----------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoter | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 2789100 | 0 | 2789100 | 66.89% | 2881100 | 0 | 2881100 | 69.10% | 2.21% |
| 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) | 2789100 | 0 | 2789100 | 66.89% | 2881100 | 0 | 2881100 | 69.10% | 2.21% |
| (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) | 2789100 | 0 | 2789100 | 66.89% | 2881100 | 0 | 2881100 | 69.10% | 2.21% |
| 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 |

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 31 st March, 2020] | | | | No. of Shares held at the end of the year [As on 31 st March, 2021] | | | | Change % during the year |
|---|--|----------|----------------|-------------------|--|----------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (2) Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 70000 | 0 | 70000 | 1.68% | 54000 | 0 | 54000 | 1.29% | (0.39%) |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital up to ₹ 1 lakh | 425000 | 0 | 425000 | 10.19% | 383500 | 0 | 383500 | 9.20% | (0.99%) |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 780333 | 0 | 780333 | 18.71% | 745833 | 0 | 745833 | 17.89% | (0.82%) |
| 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 | 105333 | 0 | 105333 | 2.53% | 97333 | 0 | 97333 | 2.33% | (0.20%) |
| Directors & their relatives | 0 | 0 | 0 | 0 | 8000 | 0 | 8000 | 0.19% | 0.19% |
| Sub-total (B)(2) | 1380666 | 0 | 1380666 | 33.11% | 1288666 | 0 | 1288666 | 30.90% | (2.21%) |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 1380666 | 0 | 1380666 | 33.11% | 1288666 | 0 | 1288666 | 30.90% | (2.21%) |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 4169766 | 0 | 4169766 | 100% | 4169766 | 0 | 4169766 | 100% | 0 |

(ii) Shareholding of Promoters & Promoter Group:

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year [As on 31 st March, 2020] | | | Share holding at the end of the year [As on 31 st March, 2021] | | | % 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 | 824051 | 19.76% | 0 | 916051 | 21.97% | 0 | 2.21% |
| 2. | Santosh Kumar Saraswat | 535735 | 12.85% | 0 | 535735 | 12.85% | 0 | 0.00% |
| 3. | Abha Santoshkumar Saraswat | 439468 | 10.54% | 0 | 463468 | 11.12% | 0 | 0.58% |
| 4. | Nisha Chandresh Saraswat | 277965 | 6.67% | 0 | 293965 | 7.05% | 0 | 0.38% |
| 5. | Ankita Chandresh Saraswat | 81000 | 1.94% | 0 | 81000 | 1.94% | 0 | 0.00% |
| 6. | Chandresh Saraswat-HUF | 260920 | 6.26% | 0 | 260920 | 6.26% | 0 | 0.00% |
| 7. | Santosh kumar Saraswat-HUF | 248961 | 5.97% | 0 | 248961 | 5.97% | 0 | 0.00% |
| 8. | Pooja Sanjeev Saraswat | 66000 | 1.58% | 0 | 66000 | 1.58% | 0 | 0.00% |
| 9. | Suresh Chandra Saraswat | 55000 | 1.32% | 0 | 15000 | 0.36% | 0 | (0.96%) |

(iii) Change in Promoters' Shareholding:

| Sr. No. | Particulars | Date of Increase/ Decrease | Reason of Increase/ Decrease | Shareholding for the year ended on 31 st March, 2021 | | Cumulative Shareholding during the year ended on 31 st March, 2021 | |
|---------|--|----------------------------|------------------------------|---|----------------------------------|---|----------------------------------|
| | | | | 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 | | | 824051 | 19.76% | 824051 | 19.76% |
| | Date wise Increase/ (Decrease) in Promoters Share holding during the year specifying the reasons for increase/ (decrease). | 30/06/2020 | Acquisition | 4000 | 0.10% | 828051 | 19.86% |
| | | 16/07/2020 | | 4000 | 0.09% | 832051 | 19.95% |
| | | 29/07/2020 | | 8000 | 0.20% | 840051 | 20.15% |
| | | 17/09/2020 | | 4000 | 0.09% | 844051 | 20.24% |
| | | 21/09/2020 | | 12000 | 0.29% | 856051 | 20.53% |
| | | 28/09/2020 | | 4000 | 0.10% | 860051 | 20.63% |
| | | 29/09/2020 | | 4000 | 0.09% | 864051 | 20.72% |
| | | 20/11/2020 | | 8000 | 0.19% | 872051 | 20.91% |
| | | 24/11/2020 | | 12000 | 0.29% | 884051 | 21.20% |
| | | 08/12/2020 | | 12000 | 0.29% | 896051 | 21.49% |
| | | 14/12/2020 | | 12000 | 0.29% | 908051 | 21.78% |
| | 15/12/2020 | 8000 | 0.19% | 916051 | 21.97% | | |
| | At the end of the Year | | | 916051 | 21.97% | 916051 | 21.97% |

| Sr. No. | Particulars | Date of Increase/ Decrease | Reason of Increase/ Decrease | Shareholding for the year ended on 31 st March, 2021 | | Cumulative Shareholding during the year ended on 31 st March, 2021 | |
|------------------------|--|----------------------------|------------------------------|---|----------------------------------|---|----------------------------------|
| | | | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 2. | Santosh Kumar Saraswat | | | | | | |
| | At the beginning of the year | | | 535735 | 12.85% | 535735 | 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 | | | 535735 | 12.85% | 535735 | 12.85% |
| 3. | Abha Santoshkumar Saraswat | | | | | | |
| | At the beginning of the year | | | 439468 | 10.54% | 439468 | 10.54% |
| | Date wise Increase/ (Decrease) in Promoters Share holding during the year specifying the reasons for increase/ (decrease). | 28/01/2021 | Acquisition | 12000 | 0.29% | 451468 | 10.83% |
| | | 17/02/2021 | | 12000 | 0.29% | 463468 | 11.12% |
| | | | | | | | |
| At the end of the Year | | | 463468 | 11.12% | 463468 | 11.12% | |
| 4. | Nisha Chandresh Saraswat | | | | | | |
| | At the beginning of the year | | | 277965 | 6.67% | 277965 | 6.67% |
| | Date wise Increase/ (Decrease) in Promoters Share holding during the year specifying the reasons for increase/ (decrease). | 30/06/2020 | Acquisition | 16000 | 0.38% | 293965 | 7.05% |
| | At the end of the Year | | | 293965 | 7.05% | 293965 | 7.05% |
| 5. | Ankita Chandresh Saraswat | | | | | | |
| | At the beginning of the year | | | 81000 | 1.94% | 81000 | 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 | | | 81000 | 1.94% | 81000 | 1.94% |
| 6. | Chandresh Saraswat-HUF | | | | | | |
| | At the beginning of the year | | | 260920 | 6.26% | 260920 | 6.26% |
| | 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 | | | 260920 | 6.26% | 260920 | 6.26% |

| Sr. No. | Particulars | Date of Increase/ Decrease | Reason of Increase/ Decrease | Shareholding for the year ended on 31 st March, 2021 | | Cumulative Shareholding during the year ended on 31 st March, 2021 | |
|------------------------|--|----------------------------|------------------------------|---|----------------------------------|---|----------------------------------|
| | | | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 7. | Santoshkumar Saraswat-HUF | | | | | | |
| | At the beginning of the year | | | 248961 | 5.97% | 248961 | 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 | | | 248961 | 5.97% | 248961 | 5.97% |
| 8. | Pooja Sanjeev Saraswat | | | | | | |
| | At the beginning of the year | | | 66000 | 1.58% | 66000 | 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 | | | 66000 | 1.58% | 66000 | 1.58% |
| 9. | Suresh Chandra Saraswat | | | | | | |
| | At the beginning of the year | | | 55000 | 1.32% | 55000 | 1.32% |
| | Date wise Increase/ (Decrease) in Promoters Share holding during the year specifying the reasons for increase/ (decrease). | 25/11/2020 | Disposal | (12000) | (0.29%) | 43000 | 1.03% |
| | | 01/12/2020 | | (4000) | (0.09%) | 39000 | 0.94% |
| | | 24/12/2020 | | (12000) | (0.29%) | 27000 | 0.65% |
| | | 21/01/2021 | | (12000) | (0.29%) | 15000 | 0.36% |
| At the end of the Year | | | 15000 | 0.36% | 15000 | 0.36% | |

(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 | 01/04/2020 | 150000 | 3.60% | 150000 | 3.60% |
| | At the end of the year | 31/03/2021 | 150000 | 3.60% | 150000 | 3.60% |
| 2. | Kamlesh Jayantilal Shah | | | | | |
| | At the beginning of the year | 01/04/2020 | 84333 | 2.02% | 84333 | 2.02% |
| | At the end of the year | 31/03/2021 | 84333 | 2.02% | 84333 | 2.02% |
| 3. | Vinaben Vinodchandra Shah | | | | | |
| | At the beginning of the year | 01/04/2020 | 73000 | 1.75 % | 73000 | 1.75 % |
| | At the end of the year | 31/03/2021 | 73000 | 1.75 % | 73000 | 1.75 % |
| 4. | Mamtaben Lakshminarayan Darji | | | | | |
| | At the beginning of the year | 01/04/2020 | 68500 | 1.64% | 68500 | 1.64% |
| | At the end of the year | 31/03/2021 | 68500 | 1.64% | 68500 | 1.64% |
| 5. | Plutus Capital Management LLP | | | | | |
| | At the beginning of the year | 01/04/2020 | 52000 | 1.25% | 52000 | 1.25% |
| | At the end of the year | 31/03/2021 | 52000 | 1.25% | 52000 | 1.25% |
| 6. | Sanjeev Saraswat | | | | | |
| | At the beginning of the year | 01/04/2020 | 42000 | 1.01% | 42000 | 1.01% |
| | At the end of the year | 31/03/2021 | 42000 | 1.01% | 42000 | 1.01% |
| 7. | Falguni Kamlesh Shah | | | | | |
| | At the beginning of the year | 01/04/2020 | 37000 | 0.89% | 37000 | 0.89% |
| | At the end of the year | 31/03/2021 | 37000 | 0.89% | 37000 | 0.89% |
| 8. | Bhavini Rajesh Mehta | | | | | |
| | At the beginning of the year | 01/04/2020 | 36000 | 0.86% | 36000 | 0.86% |
| | At the end of the year | 31/03/2021 | 36000 | 0.86% | 36000 | 0.86% |
| 9. | Rajesh K. Mehta | | | | | |
| | At the beginning of the year | 01/04/2020 | 36000 | 0.86% | 36000 | 0.86% |
| | At the end of the year | 31/03/2021 | 36000 | 0.86% | 36000 | 0.86% |
| 10. | Kamlesh J Shah HUF | | | | | |
| | At the beginning of the year | 01/04/2020 | 33333 | 0.80% | 33333 | 0.80% |
| | At the end of the year | 31/03/2021 | 33333 | 0.80% | 33333 | 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 | 01/04/2020 | 824051 | 19.76% | 824051 | 19.76% |
| | Change during the year | 30/06/2020 | 4000 | 0.10% | 828051 | 19.86% |
| | | 16/07/2020 | 4000 | 0.09% | 832051 | 19.95% |
| | | 29/07/2020 | 8000 | 0.20% | 840051 | 20.15% |
| | | 17/09/2020 | 4000 | 0.09% | 844051 | 20.24% |
| | | 21/09/2020 | 12000 | 0.29% | 856051 | 20.53% |
| | | 28/09/2020 | 4000 | 0.10% | 860051 | 20.63% |
| | | 29/09/2020 | 4000 | 0.09% | 864051 | 20.72% |
| | | 20/11/2020 | 8000 | 0.19% | 872051 | 20.91% |
| | | 24/11/2020 | 12000 | 0.29% | 884051 | 21.20% |
| | | 08/12/2020 | 12000 | 0.29% | 896051 | 21.49% |
| | | 14/12/2020 | 12000 | 0.29% | 908051 | 21.78% |
| 15/12/2020 | 8000 | 0.19% | 916051 | 21.97% | | |
| At the end of the year | 31/03/2021 | 916051 | 21.97% | 916051 | 21.97% | |
| 2. | Santosh Kumar Saraswat | | | | | |
| | At the beginning of the year | 01/04/2020 | 535735 | 12.85% | 535735 | 12.85% |
| | Change during the year | NIL | NIL | NIL | NIL | NIL |
| | At the end of the year | 31/03/2021 | 535735 | 12.85% | 535735 | 12.85% |
| 3. | Ankita Saraswat | | | | | |
| | At the beginning of the year | 01/04/2020 | 81000 | 1.94% | 81000 | 1.94% |
| | Change during the year | NIL | NIL | NIL | NIL | NIL |
| | At the end of the year | 31/03/2021 | 81000 | 1.94% | 81000 | 1.94% |
| 4. | Abhay Shrivastava | | | | | |
| | At the beginning of the year | 01/04/2020 | NIL | NIL | NIL | NIL |
| | Change during the year | NIL | NIL | NIL | NIL | NIL |
| | At the end of the year | 31/03/2021 | NIL | NIL | NIL | NIL |
| 5. | Sunil Thakore* | | | | | |
| | At the beginning of the year | 01/04/2020 | NIL | NIL | NIL | NIL |
| | Change during the year | NIL | NIL | NIL | NIL | NIL |
| | At the end of the year | 31/03/2021 | NIL | NIL | NIL | NIL |
| 6. | Zarna Shah* | | | | | |
| | At the beginning of the year | 01/04/2020 | 4000 | 0.10% | 4000 | 0.10% |
| | Change during the year | NIL | NIL | NIL | NIL | NIL |
| | At the end of the year | 31/03/2021 | 4000 | 0.10% | 4000 | 0.10% |

| 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 |
| 7. | Rajesh G. Shah[@] | | | | | |
| | At the beginning of the year | 01/04/2020 | NIL | NIL | NIL | NIL |
| | Change during the year | NIL | NIL | NIL | NIL | NIL |
| | At the end of the year | 31/03/2021 | NIL | NIL | NIL | NIL |
| 8. | Lokeshkumar Edival | | | | | |
| | At the beginning of the year | 01/04/2020 | NIL | NIL | NIL | NIL |
| | Change during the year | NIL | NIL | NIL | NIL | NIL |
| | At the end of the year | 31/03/2021 | NIL | NIL | NIL | NIL |
| 9. | Barkha Lakhani | | | | | |
| | At the beginning of the year | 01/04/2020 | NIL | NIL | NIL | NIL |
| | Change during the year | NIL | NIL | NIL | NIL | NIL |
| | At the end of the year | 31/03/2021 | NIL | NIL | NIL | NIL |

*Mr. Sunil Thakore ceased to be the Independent Director of the Company w.e.f. the closing hours of 31st August, 2020.

#Ms. Zarna Shah resigned from the office of Independent Director w.e.f. 6th August, 2021.

@Mr. Rajesh G. Shah was appointed as an Additional Director (Independent Director Category) of the Company w.e.f. 6th August, 2021.

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 | 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 |
| Change in Indebtedness during the Financial Year | | | | |
| • Addition | 0 | 0 | 0 | 0 |
| • (Reduction) | (27.92) | 0 | 0 | (27.92) |
| Net Change | (27.92) | 0 | 0 | (27.92) |
| Indebtedness at the end of the Financial Year | | | | |
| i) Principal Amount | 195.61 | 0 | 0 | 195.61 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 195.61 | 0 | 0 | 195.61 |

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, 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 | 5,95,820 | 6,19,650 | 12,15,470 |
| | (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) | 5,95,820 | 6,19,650 | 12,15,470 |
| | 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 Mr. Santosh Kumar Saraswat | Total Remuneration paid |
|---------|---|---|--|---------------------------------------|--|-------------------------|
| | | Mr. Abhay Shrivastava | Mr. Sunil Thakore (upto 31-08-2020) | Ms. Zarna Shah (w.e.f. 08-08-2020) | | |
| 1. | Independent Directors | | | | | |
| | • Fee for attending board/ committee meetings | 15,000 | 10,000 | 7,500 | 0 | 32,500 |
| | • Commission | 0 | 0 | 0 | 0 | 0 |
| | • Others, please specify | 0 | 0 | 0 | 0 | 0 |
| | Total (1) | 15,000 | 10,000 | 7,500 | 0 | 32,500 |
| 2. | Other Non-Executive Directors | | | | | |
| | • Fee for attending board/ committee meetings | 0 | 0 | 0 | 15,000 | 15,000 |
| | • Commission | 0 | 0 | 0 | 0 | 0 |
| | • Others, please specify | 0 | 0 | 0 | 0 | 0 |
| | Total (2) | 0 | 0 | 0 | 15,000 | 15,000 |
| | Total (B) = (1)+(2) | 15,000 | 10,000 | 7,500 | 15,000 | 47,500 |
| | 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. | 4,92,150 | 2,47,389 | 7,39,539 |
| | (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 | 4,92,150 | 2,47,389 | 7,39,539 |

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] (give Details) | Appeal made, if any |
|-------------------------------------|------------------------------|-------------------|--|---|---------------------|
| 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

Chandresh S. Saraswat
Chairman & Managing Director
DIN: 01475370

Date: 6th August, 2021
Place: Ahmedabad

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 | 2020-21 | 2019-20 |
|---------------------|----------|-------------------|-------------------|
| Total Unit | KWH | 80,349 | 91,246 |
| Rate per Unit | ₹ | 8.19/- | 8.38/- |
| Total Amount | ₹ | 6,57,742/- | 7,65,077/- |

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. 2020-21:

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 ₹ 81,22,735/-

ii. Total Foreign Exchange Earned and Outgo during F.Y. 2020-21:

| Particulars | Amount (In ₹) |
|---|---------------|
| Foreign Exchange earned in terms of Actual Inflows | 81,22,735/- |
| Foreign Exchange earned in terms of Actual Outflows | 28,518/- |

By Order of the Board of Directors
YUG DECOR LIMITED

Chandresh S. Saraswat
Chairman & Managing Director
DIN: 01475370

Date: 6th August, 2021
Place: Ahmedabad



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, 2021, 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 2021, its profit 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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

Place: Ahmedabad
Date: 10.06.2021

(PANKAJ K. SHAH)
PARTNER
M. No.: 34603
UDIN: 21034603AAAASI9646

“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, 2021; 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 and 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 products manufactured 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 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, 2021 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 as per records of the Company, disputed amount payable in respect of Income tax, VAT & Custom and Excise Duty 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 Statute | Nature of Dues | (*) Disputed Amount ₹ | 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) According to the information and explanations given to us, the provision of section 45 IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Place: Ahmedabad
Date: 10.06.2021

(PANKAJ K. SHAH)
PARTNER
M. No.: 34603
UDIN: 21034603AAAASI9646

“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, 2021 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, 2021, 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**

Place: Ahmedabad
Date: 10.06.2021

**(PANKAJ K. SHAH)
PARTNER
M. No.: 34603
UDIN: 21034603AAAASI9646**

Balance Sheet as at 31st March, 2021

(Amount in ₹)

| | Note No. | As at 31st Mar-21 | As at 31st Mar-20 |
|--|----------|---------------------|---------------------|
| I. EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | 6,20,36,021 | 6,08,44,741 |
| (a) Share Capital | 1 | 4,16,97,660 | 4,16,97,660 |
| (b) Reserves and Surplus | 2 | 2,03,38,361 | 1,91,47,081 |
| (c) Money Received against share warrants | | - | - |
| 2 Share Application money pending allotment | | - | - |
| 3 Non- Current Liabilities | | 1,69,19,974 | 1,93,19,724 |
| (a) Long Term Borrowings | 3 | 1,30,89,664 | 1,51,20,994 |
| (b) Deferred Tax Liability (Net) | 4 | - | - |
| (c) Other Long Term Liabilities | 5 | 18,49,145 | 25,73,264 |
| (d) Long Term Provisions | 6 | 19,81,165 | 16,25,466 |
| 4 Current Liabilities | | 5,30,96,317 | 4,82,04,163 |
| (a) Short Term Borrowings | 7 | 45,16,058 | 55,42,916 |
| (b) Trade Payable | | - | - |
| Total outstanding dues to Micro and Small Enterprises | | - | - |
| Total outstanding dues of creditors other than Micro and Small Enterprises | 8 | 4,32,23,220 | 3,10,06,718 |
| (c) Other Current Liabilities | 9 | 52,97,270 | 57,34,339 |
| (d) Short Term Provisions | 10 | 59,769 | 59,20,190 |
| TOTAL | | 13,20,52,312 | 12,83,68,628 |
| II. ASSETS | | | |
| 1 Non-Current Assets | | 2,93,45,855 | 3,34,10,593 |
| (a) Property, Plant and Equipment | | - | - |
| i) Tangible Assets | 16 | 2,68,30,478 | 3,15,42,572 |
| ii) Intangible Assets | 16 | 75,870 | 1,70,799 |
| iii) Capital Work in Progress | | - | - |
| iv) Intangible assets under development | | - | - |
| (b) Non- Current Investment | | - | - |
| (c) Deferred Tax Assets (Net) | 4 | 15,98,409 | 8,49,874 |
| (d) Long Term Loans and Advances | 11 | 8,41,098 | 8,47,348 |
| (e) Other Non- Current Assets | | - | - |
| 2 Current Assets | | 10,27,06,457 | 9,49,58,035 |
| (a) Current Investments | | - | - |
| (b) Inventories | 12 | 1,38,91,486 | 1,22,63,586 |
| (c) Trade Receivables | 13 | 8,71,28,680 | 8,07,95,861 |
| (d) Cash and Cash Equivalents | 14 | 8,55,434 | 10,76,088 |
| (e) Short Term Loans and Advances | 15 | 8,30,857 | 8,22,500 |
| (f) Other Current Assets | | - | - |
| TOTAL | | 13,20,52,312 | 12,83,68,628 |
| Significant Accounting Policies and Notes on Financial Statements | | 1 to 39 | |

As per our attached report of even date

For, Pankaj K. Shah Associates
FRN- 107352W
CHARTERED ACCOUNTANTS

CA Pankaj K. Shah
Partner
M. No. 34603

Place: AHMEDABAD
Date: 10th June, 2021
UDIN: 21034603AAAASI9646

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: 10th June, 2021

Santosh Kumar Saraswat
Director
DIN: 00236008

Lokeshkumar Edival
Chief Financial Officer



Profit and Loss statement for the year ended 31st March, 2021

(Amount in ₹)

| Particulars | Note No. | For the Financial Year ended on 31 st March, 2021 | For the Financial Year ended on 31 st March, 2020 |
|---|----------|--|--|
| I. Revenue from Operations | 17 | 15,94,83,197 | 17,39,51,226 |
| II. Other Income | 18 | 1,08,358 | 2,69,145 |
| III. Total Revenue (I + II) | | 15,95,91,555 | 17,42,20,371 |
| IV. Expenses: | | | |
| Cost of Materials Consumed | 19 | 11,04,01,309 | 11,74,15,946 |
| Purchase of Stock-in- Trade | 20 | 33,83,701 | 7,65,630 |
| Changes in Inventories of Finished Goods, Work in progress and Stock in Trade | 21 | 4,98,205 | 4,67,633 |
| Employee benefits expenses | 22 | 2,07,88,410 | 2,47,21,190 |
| Financial Costs | 23 | 26,01,556 | 26,33,200 |
| Depreciation and Amortization Expenses | 16 | 48,94,131 | 51,22,379 |
| Other Expenses | 24 | 1,54,93,498 | 1,50,29,911 |
| Total Expenses | | 15,80,60,810 | 16,61,55,889 |
| V. Profit before Tax (III-IV) | | 15,30,745 | 80,64,482 |
| VI Tax Expenses: | | | |
| 1) Current Tax | | 10,88,000 | 6,04,630 |
| 2) Deferred Tax | | (7,48,535) | 15,09,964 |
| VII. Profit (Loss) for the period (V-VI) | | 11,91,280 | 59,49,888 |
| VIII. Earnings per equity share | | | |
| 1) Basic and Diluted | | 0.29 | 1.43 |

Significant Accounting Policies and Notes on Financial Statements

1 to 39

As per our attached report of even date

For, Pankaj K. Shah Associates
FRN- 107352W
CHARTERED ACCOUNTANTS

CA Pankaj K. Shah
Partner
M. No. 34603

Place: AHMEDABAD
Date: 10th June, 2021
UDIN: 21034603AAAASI9646

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: 10th June, 2021

Santosh Kumar Saraswat
Director
DIN: 00236008

Lokeshkumar Edival
Chief Financial Officer

Cash Flow Statement for year ended March 31, 2021

| Particulars | Amount in ₹ | |
|--|---------------------------------|------------------------------------|
| | For the year ended 31-Mar-21 | For the year ended 31-Mar-20 |
| A. Cash flows from operating activities: | | |
| Net profit before taxation and extraordinary items | 15,30,745 | 80,64,482 |
| Adjustments for: | | |
| Depreciation and Amortisation | 48,94,131 | 51,22,379 |
| (Profit)/Loss on sale of assets [Net] | - | (1,07,375) |
| Interest income | (14,114) | (41,876) |
| Proposed Dividend | - | (58,37,672) |
| Interest expenses | 26,01,556 | 26,33,200 |
| Bad debts and provision for doubtful debts | 15,83,897 | 1,53,973 |
| Provisions for employee benefits | 3,55,699 | 2,87,100 |
| Total | 94,21,169 | 22,09,729 |
| Operating profit before working capital changes | 1,09,51,914 | 1,02,74,210 |
| Adjustments for: | | |
| [Increase]/ Decrease in Trade Receivables | (79,16,716) | (99,77,975) |
| [Increase]/ Decrease in Inventories | (16,27,900) | (12,62,219) |
| Decrease/ [Increase] in Short Term Advances | (8,357) | 42,082 |
| Decrease/ [Increase] in Long Term Advances | 6,250 | 6,250 |
| Increase/ [Decrease] in Trade Payables | 1,22,16,502 | 71,26,024 |
| Increase/ [Decrease] in Other Current Liabilities | (4,37,069) | 20,11,791 |
| Increase/ [Decrease] in Other Long Term Liabilities | (7,24,119) | 9,23,493 |
| Increase/ [Decrease] in Short Term Provision | (58,60,421) | 58,44,339 |
| Total | (43,51,829) | 47,13,785 |
| Cash generated from operations | 66,00,085 | 1,49,87,995 |
| Direct taxes paid [Net of refunds] | (10,88,000) | (6,04,630) |
| Net cash from operating activities | 55,12,085 | 1,43,83,365 |
| B. Cash flows from investing activities: | | |
| Purchase of Fixed Assets | (87,108) | (62,62,774) |
| Proceeds from sale of fixed assets | - | 13,49,550 |
| Interest received | 14,114 | 41,876 |
| Net cash from investing activities | (72,994) | (48,71,348) |
| C. Cash flows from financing activities: | | |
| Repayment of Long Term Borrowings | (20,31,330) | 13,54,340 |
| Short Term Borrowings [Net] | (10,26,858) | (73,09,905) |
| Interest paid | (26,01,556) | (26,33,200) |
| Net cash used in financing activities | (56,59,745) | (85,88,765) |
| Net increase/ [decrease] in cash and cash equivalents | (2,20,654) | 9,23,252 |
| Cash and cash equivalents at the beginning | 10,76,088 | 1,52,836 |
| Cash and cash equivalents at the end | 8,55,434 | 10,76,088 |

Notes to the Cash Flow Statement

- All figures in brackets are outflows.
- Previous year's figures have been regrouped wherever necessary.
- Cash and cash equivalents comprise of:

| | As at March 31 2,021 | As at March 31 2,020 | As at March 31 2,019 |
|-----------------------|----------------------------|----------------------------|----------------------------|
| a Cash on Hand | 2,24,088 | 21,085 | 1,04,585 |
| b Balances with Banks | 6,31,346 | 10,55,003 | 48,251 |
| d Total | 8,55,434 | 10,76,088 | 1,52,836 |

As per our report of even date

For, Pankaj K. Shah Associates
FRN- 107352W
CHARTERED ACCOUNTANTS

CA Pankaj K. Shah
Partner
M. No. 34603

Place: AHMEDABAD
Date: 10th June, 2021
UDIN: 21034603AAAAS19646

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: 10th June, 2021

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 and solvent based adhesives.

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 receipt 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 supply of goods. 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 carry forwarded 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, 2021**

(Amount in ₹)

| | As at 31 st Mar-21 | As at 31 st Mar-20 |
|--|----------------------------------|----------------------------------|
| 1 SHARE CAPITAL | | |
| Authorised 42,50,000 (P.Y. 42,50,000) Equity Shares of ₹ 10 each | 4,25,00,000 | 4,25,00,000 |
| Issue, Subscribed & Paid up 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 31 st Mar-21 | | As at 31 st Mar-20 | |
|----------------------------|----------------------------------|--------|----------------------------------|--------|
| | No. of Shares | % Held | No. of Shares | % Held |
| Chandresh Saraswat | 9,16,051 | 21.97 | 8,24,051 | 19.76 |
| Santosh Kumar Saraswat | 5,35,735 | 12.85 | 5,35,735 | 12.85 |
| Abha Saraswat | 4,63,468 | 11.11 | 4,39,468 | 10.54 |
| Nisha Saraswat | 2,93,965 | 7.05 | 2,77,965 | 6.67 |
| Chandresh Saraswat HUF | 2,60,920 | 6.26 | 2,60,920 | 6.26 |
| 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 31 st Mar-21 | As at 31 st Mar-20 |
|--|----------------------------------|----------------------------------|
| 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. 2016-17 | 1800000 |
| F.Y. 2017-18 | NIL |
| F.Y. 2018-19 | NIL |
| F.Y. 2019-20 | NIL |
| F.Y. 2020-21 | 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, 2021

(Amount in ₹)

| | As at 31 st Mar-21 | As at 31 st Mar-20 |
|--|----------------------------------|----------------------------------|
| 2 RESERVES AND SURPLUS | | |
| Securities Premium | | |
| 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 | 21,39,870 | 20,27,655 |
| Add: Profit/(Loss) for the year | 11,91,280 | 59,49,888 |
| Less: Payment of Dividend | - | (58,37,672) |
| Closing Balance | 33,31,150 | 21,39,870 |
| | Total (B) | |
| | 2,03,38,361 | 1,91,47,081 |
| 3 LONG TERM BORROWINGS | | |
| SECURED | | |
| Indusind Bank Limited | 1,24,07,110 | 1,31,52,476 |
| - 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 January, 2033 | | |
| Yes Bank Car Loan | 6,82,554 | 19,68,518 |
| - against hypothecation of a Vehicle Repayable on monthly basis by October, 2022 | | |
| | Total | |
| | 1,30,89,664 | 1,51,20,994 |
| 4 DEFERRED TAX ASSET / (LIABILITY) | | |
| Deferred Tax Asset | 15,98,409 | 8,49,874 |
| Deferred Tax Liability | - | - |
| | 15,98,409 | 8,49,874 |
| 5 OTHER LONG TERM LIABILITIES | | |
| Security Deposits (Trade) | 18,49,145 | 25,73,264 |
| | Total | |
| | 18,49,145 | 25,73,264 |
| 6 LONG TERM PROVISIONS | | |
| Provision for Gratuity | 19,81,165 | 16,25,466 |
| | Total | |
| | 19,81,165 | 16,25,466 |
| 7 SHORT TERM BORROWINGS | | |
| SECURED | | |
| Working Capital Loan From Allahabad Bank | 45,16,058 | 55,42,916 |
| - 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. ₹ 33.40 Lacs. | | |
| | 45,16,058 | 55,42,916 |

**Notes on Financial Statements for the
Financial Year ended 31st March, 2021**



(Amount in ₹)

| | As at 31 st Mar-21 | As at 31 st Mar-20 |
|--|----------------------------------|----------------------------------|
| 8 TRADE PAYABLES | | |
| Total Outstanding dues to Micro and Small Enterprises | - | - |
| Total Outstanding dues of creditors other than Micro and Small Enterprises (Refer Note 36) | 4,32,23,220 | 3,10,06,718 |
| | 4,32,23,220 | 3,10,06,718 |
| 9 OTHER CURRENT LIABILITIES | | |
| Current Maturities of Long Term Borrowings (Note 3) | | |
| HDFC Bank Limited | - | 85,206 |
| Indusind Bank Limited | 6,74,886 | 4,45,083 |
| Yes Bank Limited | 12,80,057 | 11,58,303 |
| Advance from Customers | 2,68,592 | 8,41,649 |
| Duties and Taxes | 3,98,780 | 4,07,553 |
| Creditor for Expenses | 26,74,955 | 27,96,544 |
| | 52,97,270 | 57,34,339 |
| 10 SHORT TERM PROVISION | | |
| Provision for Expenses | - | 69,950 |
| Provision for Employee Benefits | 59,769 | 12,568 |
| Provision for Proposed Dividend | - | 58,37,672 |
| | 59,769 | 59,20,190 |
| 11 LONG TERM LOANS AND ADVANCES | | |
| Advances recoverable in Cash or Kind or for value to be received | 6,61,962 | 6,61,962 |
| Prepaid Expenses | - | 6,250 |
| Security Deposits | 1,79,136 | 1,79,136 |
| | 8,41,098 | 8,47,348 |
| 12 INVENTORIES | | |
| (As valued and certified by the Management) | | |
| Raw Materials | 73,29,432 | 58,96,255 |
| Packing Materials | 25,50,746 | 17,76,328 |
| Work in Progress | 8,75,838 | 4,33,123 |
| Traded Goods | 3,47,739 | 92,008 |
| Finished Goods | 22,97,558 | 34,94,209 |
| Consumables | 4,90,173 | 5,71,663 |
| | 1,38,91,486 | 1,22,63,586 |
| 13 TRADE RECEIVABLES | | |
| (Unsecured and Considered Good) | | |
| Outstanding for a period exceeding six months from the date they are due for payment | 1,79,88,408 | 1,13,61,182 |
| Less: Provision for doubtful debts | (15,83,897) | - |
| Others | 7,07,24,169 | 6,94,34,679 |
| | 8,71,28,680 | 8,07,95,861 |

Notes on Financial Statements for the
Financial Year ended 31st March, 2021

(Amount in ₹)

| | As at 31 st Mar-21 | As at 31 st Mar-20 |
|--|----------------------------------|----------------------------------|
| 14 CASH AND BANK BALANCES: | | |
| Cash and Cash Equivalent | | |
| Cash on Hand | 2,24,088 | 21,085 |
| - (As certified by the Management) | | |
| - Balances with Scheduled Banks | | |
| In Current Account | | |
| Allahabad Bank | - | 14,822 |
| ICICI Bank | 6,31,346 | 10,40,181 |
| | 8,55,434 | 10,76,088 |
| 15 SHORT TERM LOANS AND ADVANCES: | | |
| (Unsecured considered Good) | | |
| Advances recoverable in Cash or Kind or for value to be received | 3,16,503 | 3,04,773 |
| Balance with Government Authority | 5,14,354 | 5,17,727 |
| | 8,30,857 | 8,22,500 |

Notes on Financial Statements for the Financial Year ended 31st March, 2021

16 FIXED ASSETS AND DEPRECIATION:

| Description | Gross Block | | | Depreciation | | | Net Block | | | |
|-------------------------------|-----------------------|--|---|---------------------|-----------------------|--|---|--------------------|---------------------|---------------------|
| | Opening 01.04.2020 | Addition adjustment during the year | (Deduction) adjustment during the year | As on 31.03.2021 | Opening 01.04.2020 | Addition adjustment during the year | (Deduction) adjustment during the year | Upto 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| Tangible Asset | | | | | | | | | | |
| 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 | 50,50,495 | 20,32,344 | - | 70,82,839 | 1,93,47,413 | 2,13,79,757 |
| Factory Building | 21,17,982 | - | - | 21,17,982 | 15,62,204 | 51,946 | - | 16,14,150 | 5,03,832 | 5,55,778 |
| Plant and Machinery | 65,81,017 | 58,193 | - | 66,39,210 | 52,88,785 | 2,47,828 | - | 55,36,613 | 11,02,597 | 12,92,232 |
| Furniture & Fixtures | 39,53,445 | - | - | 39,53,445 | 19,14,203 | 5,28,683 | - | 24,42,886 | 15,10,559 | 20,39,242 |
| Vehicles | 84,64,134 | - | - | 84,64,134 | 26,96,223 | 18,10,058 | - | 45,06,281 | 39,57,853 | 57,67,911 |
| Computer & Printer | 4,46,388 | 19,915 | - | 4,66,303 | 3,70,109 | 48,951 | - | 4,19,060 | 47,243 | 76,279 |
| Office Equipment | 5,42,119 | - | - | 5,42,119 | 3,87,443 | 70,392 | - | 4,57,835 | 84,284 | 1,54,676 |
| Sub-total | 4,88,12,034 | 78,108 | - | 4,88,90,142 | 1,72,69,462 | 47,90,202 | - | 2,20,59,664 | 2,68,30,478 | 3,15,42,572 |
| Intangible Asset | | | | | | | | | | |
| Trademarks | 1,06,400 | 9,000 | - | 1,15,400 | 88,834 | 6,123 | - | 94,957 | 20,443 | 17,566 |
| Software | 1,70,000 | - | - | 1,70,000 | 16,767 | 97,806 | - | 1,14,573 | 55,427 | 1,53,233 |
| Sub-total | 2,76,400 | 9,000 | - | 2,85,400 | 1,05,601 | 1,03,929 | - | 2,09,530 | 75,870 | 1,70,799 |
| Total :- | 4,90,88,434 | 87,108 | - | 4,91,75,542 | 1,73,75,063 | 48,94,131 | - | 2,22,69,194 | 2,69,06,348 | 3,17,13,371 |
| Capital Work-in-Progress | - | - | - | - | - | - | - | - | - | - |
| Previous Year 2019-20 | 4,70,44,076 | 62,62,774 | (42,18,416) | 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 |

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, 2021

(Amount in ₹)

| | For the year ended 31-Mar-21 | For the year ended 31-Mar-20 |
|---|------------------------------------|------------------------------------|
| 17 REVENUE FROM OPERATIONS | | |
| (A) Sales of Products | 15,93,77,602 | 17,22,72,545 |
| (B) Other Operating Income | | |
| Export Incentives | 1,05,595 | 4,51,172 |
| Export of Service | - | 12,27,509 |
| | 15,94,83,197 | 17,39,51,226 |
| 18 OTHER INCOME | | |
| Interest Income | 14,114 | 41,876 |
| Exchange Gain | 94,244 | 52,578 |
| Profit on Sale of Fixed Assets | - | 1,07,375 |
| Bad Debt Recovery | - | 67,316 |
| | 1,08,358 | 2,69,145 |
| 19 COST OF MATERIAL CONSUMED | | |
| Raw Materials | | |
| Opening Stock | 58,96,255 | 39,67,713 |
| Add : Purchase | 9,29,56,523 | 9,81,85,560 |
| Add: Freight Inward | 21,74,546 | 19,35,798 |
| | 10,10,27,324 | 10,40,89,071 |
| Less: Closing Stock | 73,29,432 | 58,96,255 |
| | 9,36,97,892 | 9,81,92,816 |
| Total (A) | | |
| Packing Materials | | |
| Opening Stock | 17,76,328 | 18,22,491 |
| Add : Purchase | 1,74,44,013 | 1,91,37,610 |
| Add: Packing Expenses | 33,822 | 39,357 |
| | 1,92,54,163 | 2,09,99,458 |
| Less: Closing Stock | 25,50,746 | 17,76,328 |
| | 1,67,03,417 | 1,92,23,130 |
| Total (B) | | |
| Total Cost of Material Consumed (A+B) | 11,04,01,309 | 11,74,15,946 |
| 20 PURCHASE OF STOCK IN TRADE | | |
| Purchase | 33,83,701 | 7,65,630 |
| | 33,83,701 | 7,65,630 |
| 21 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE | | |
| Opening Balance | | |
| 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 |
| Closing Balance | | |
| Finished Goods- Traded | 3,47,739 | 92,008 |
| Finished Goods- Manufactured | 22,97,558 | 34,94,209 |
| Work-In-Progress | 8,75,838 | 4,33,123 |
| | 35,21,135 | 40,19,340 |
| Decrease/ (Increase) in Stock | 4,98,205 | 4,67,633 |

**Notes on Financial Statements for the
Financial Year ended 31st March, 2021**



(Amount in ₹)

| | For the year ended 31-Mar-21 | For the year ended 31-Mar-20 |
|--|------------------------------------|------------------------------------|
| 22 EMPLOYEE BENEFIT EXPENSES | | |
| Salary, Wages and Bonus | 2,00,49,251 | 2,38,19,182 |
| Contribution to Provident and Other Fund (Refer note 27a) | 3,63,807 | 4,93,746 |
| Workmen Compensation Insurance | 18,523 | 22,547 |
| Gratuity Expenses (Refer note 27b) | 3,55,699 | 3,83,715 |
| Staff Welfare | 1,130 | 2,000 |
| | 2,07,88,410 | 2,47,21,190 |
| 23 FINANCE COST | | |
| Interest Expenses | | |
| Working Capital and Term Loans | 23,71,255 | 23,73,615 |
| Others | 2,30,301 | 2,59,585 |
| | 26,01,556 | 26,33,200 |
| 24 OTHER EXPENSES | | |
| 1 Consumption of Stores and spare parts | 19,840 | 34,472 |
| 2 Power & fuel | 10,24,250 | 16,11,813 |
| 3 Rent Expenses* | 8,48,256 | 9,21,530 |
| 4 Rates & Taxes | 1,83,131 | 4,73,888 |
| 5 Auditor Remuneration (Refer note 28) | 70,000 | 70,000 |
| 6 Bank Charges | 1,05,709 | 1,11,521 |
| 7 Conveyance | 32,215 | 1,96,521 |
| 8 Commission Expenses | 4,57,484 | 57,500 |
| 9 Petrol/Diesel Delivery Vehicles | 4,15,621 | 3,72,257 |
| 10 Insurance | 1,53,189 | 1,39,972 |
| 11 Electricity Expenses | 1,29,648 | 1,57,877 |
| 12 Freight & Clearance Expenses | 31,89,821 | 17,46,808 |
| 13 General Charges | 2,76,320 | 5,05,846 |
| 14 Legal & Professional Fees | 4,06,099 | 6,11,530 |
| 15 Postage & Courier | 86,111 | 1,37,463 |
| 16 Printing & Stationary | 1,64,233 | 1,75,271 |
| 17 Scheme, Sample, Rebate & Discount | 30,78,071 | 33,24,532 |
| 18 Repairs & Maintenance | | |
| Building | 70,790 | 95,192 |
| Plant and Machinery | 2,99,229 | 3,12,816 |
| Others | 1,90,810 | 2,12,472 |
| 19 Telephone, Mobile and internet charges | 2,54,082 | 3,55,841 |
| 20 Advertisement & Sales Promotion Expenses | 3,57,653 | 1,39,330 |
| 21 Travelling Expenses | 20,86,745 | 30,99,788 |
| 22 Bad Debt Written Off | - | 1,53,973 |
| 23 Penalty Expenses | 10,296 | 11,699 |
| 24 Provision for Doubtful Debts | 15,83,897 | - |
| | 1,54,93,498 | 1,50,29,911 |

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

Notes on Financial Statements for the
Financial Year ended 31st March, 2021

(Amount in ₹)

| | For the year ended 31-Mar-21 | For the year ended 31-Mar-20 |
|--|------------------------------------|------------------------------------|
| 25 (a) Contingent Liabilities (to the extent 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 recoverable 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 evaluated the impact of pandemic relating to Covid-19 on the operations of the Company, revenue, cash flow, carrying amount of property, plant and equipment, inventories, receivables and other current assets. Even though, it is very difficult to predict the duration of the disruption and severity of its impact, on the basis of evaluation of overall economic environment, liquidity position, debt status, recoverability of receivables, the Company expects to recover the carrying amount of these assets and currently does not anticipate any further impairment of it. Looking to the uncertainties, the impact of COVID-19 maybe different from that estimated as at the date of approval of these financial statements, and the Company will continue to closely monitor the developments.

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, 2021.

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

| Particulars | 2020-21 | 2019-20 |
|---|------------|------------|
| Current Service Cost | 4,35,842 | 4,02,999 |
| Interest Cost | 1,10,532 | 91,009 |
| Expected Return of Plan Assets | - | - |
| Net actuarial losses (gains) recognised in the year | (1,90,675) | (1,10,293) |
| Expenses recognised in Statement of Profit and Loss | 3,55,699 | 3,83,715 |

(ii) Movement in present value of defined benefit obligation

| Particulars | 2020-21 | 2019-20 |
|--|------------|------------|
| Obligation at the beginning of the year | 16,25,466 | 13,38,366 |
| Current Service Cost | 4,35,842 | 4,02,999 |
| Interest Cost | 1,10,532 | 91,009 |
| Benefit paid | - | (96,615) |
| Actuarial losses/ (gain) | (1,90,675) | (1,10,293) |
| Present Value of Benefit obligation at the end of year | 19,81,165 | 16,25,466 |

**Notes on Financial Statements for the
Financial Year ended 31st March, 2021**



(Amount in ₹)

| (iii) Net Liability/ (Asset) recognized in Balance Sheet | | |
|--|--------------|---------------|
| | Current Year | Previous Year |
| Present Value of Obligation | 19,81,165 | 16,25,466 |
| Fair Value of Plan Assets | - | - |
| Net Liability/ (Asset) recognised | 19,81,165 | 16,25,466 |

| 28 Auditors Remuneration (Exclusive of Tax) | | |
|---|--------------|---------------|
| Particulars | Current Year | Previous Year |
| Statutory Audit Fees | 70,000 | 70,000 |
| Certification Fee | 3,000 | - |
| Total | 73,000 | 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 | 11,22,000 | 12,65,000 |
| (b) Bonus | 93,470 | 1,05,380 |
| Total | 12,15,470 | 13,70,380 |

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, 2021 and 31st March, 2020 are given below:

Deferred Tax Liability/(Asset) -Net

| Particulars | Current Year | Previous Year |
|---------------------------------------|--------------|---------------|
| Deferred Tax Liability | - | - |
| Deferred Tax (Assets) | (15,98,409) | (8,49,874) |
| Deferred Tax Liability/(Assets) - Net | (15,98,409) | (8,49,874) |

Component of Deferred tax Liabilities/ (Assets)

| Particulars | Opening balance | Charge/ (Credit) in Profit or Loss | Closing balance |
|--------------------------------|-----------------|------------------------------------|-----------------|
| Property, Plant and Equipments | (4,40,746) | (2,61,387) | (7,02,133) |
| Provisions | (4,09,128) | (89,529) | (4,98,657) |
| Total | (8,49,874) | (3,50,916) | (12,00,790) |

31 Related Party Disclosure:

1. Name of the related parties and their relationships:

| Description | Name of Related Parties | Designation |
|--------------------------------------|-------------------------|--|
| Key Managerial Personnel | Chandresh S. Saraswat | Managing Director |
| | Ankita Saraswat | Whole Time Director |
| | Santosh Kumar Saraswat | Non Executive Director |
| | Abhay Shrivastava | Independent Director |
| | Sunil Thakore | Independent Director |
| | Zarna Shah | Independent Director |
| | Lokeshkumar Edival | Chief Financial Officer |
| | Barkha C. Lakhani | Company Secretary & Compliance Officer |
| Relative of Key Managerial Personnel | Pooja Saraswat | Employee |

Notes on Financial Statements for the
Financial Year ended 31st March, 2021

(Amount in ₹)

2. Transaction during the year

| | Current Year | Previous Year |
|--|------------------|------------------|
| (a) Remunerations, Allowances and Bonus | | |
| Chandresh S. Saraswat | 5,95,820 | 7,14,980 |
| Ankita Saraswat | 6,19,650 | 6,55,400 |
| Lokeshkumar Edival | 4,92,150 | 5,90,000 |
| Barkha C. Lakhani | 2,47,389 | 2,76,250 |
| Pooja Saraswat | 1,86,870 | 3,19,580 |
| (b) Director Sitting Fee | | |
| Santosh Kumar Saraswat | 15,000 | 10,000 |
| Abhay Shrivastava | 15,000 | 10,000 |
| Sunil Thakore (upto 31.08.2020) | 10,000 | 10,000 |
| Zarna Shah (w.e.f. 08.08.2020) | 7,500 | - |
| Total | 21,89,379 | 25,86,210 |

32 Earning per share (EPS)

| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| (a) Net Profit after Tax available for Equity Shareholders (Rupees) | 11,91,280 | 59,49,888 |
| (b) Weighted average number of Shares at beginning | 41,69,766 | 41,69,766 |
| (c) Basic and Diluted Earning per Share (Rupees) | 0.29 | 1.43 |

33 Other Expenditure in Foreign Currency

| | Current Year | Previous Year |
|-------------------------------------|---------------|---------------|
| Foreign Currency Remittance Charges | 28,518 | 42,017 |
| Total | 28,518 | 42,017 |

34 Earning in Foreign Exchange - FOB Export 81,22,735 56,78,125

35 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.

36 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, 2021. 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.

37 The Parliament of India has approved the Code of Social Security, 2020 (the Code) which may impact the contributions by the Company towards provident fund, gratuity and ESIC. The Code has been published in the Gazette of India however; the effective date has not yet been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective, if any.

38 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.

39 Previous Year figures have been re-grouped and re-arranged wherever necessary to confirm to the current year presentation.

Signatures to Notes 1 to 39 forming part of Balance Sheet and Profit and Loss Account.

As per our attached report of even date

For, Pankaj K. Shah Associates
FRN- 107352W
CHARTERED ACCOUNTANTS

CA Pankaj K. Shah
Partner
M. No. 34603

Place: AHMEDABAD
Date: 10th June, 2021
UDIN: 21034603AAAASI9646

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: 10th June, 2021

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.



Yug Chale Yugo Tak



YUG DECOR LIMITED

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