

# **SHANGAR DÉCOR LIMITED**

**24<sup>th</sup>**

**ANNUAL REPORT**

**FOR THE YEAR**

**2018-19**

## **REGISTERED OFFICE**

4, Sharad Flats, Opp-Dharnidhar Temple. Ahmedabad-380007

Phone: 07926634458 Email id: [shangardecorltd@hotmail.com](mailto:shangardecorltd@hotmail.com) Website: [www.shangardecor.com](http://www.shangardecor.com)

**AUDITORS:**

**S. D. MEHTA & CO.**  
 CHARTERED ACCOUNTANTS  
 16/a, Ghanshyam Avenue, Nr. Underpass,  
 Income Tax, Sattar Taluka Society, Ahmedabad 380014.

**BANKERS:**

THE UNITED CO-OPERATIVE BANK LIMITED  
 AXIS BANK  
 BANK OF BARODA

**REGISTRAR AND  
SHARE TRANSFER AGENT:**

**M/S. PURVASHAREGISTRY (INDIA) PVT. LTD.**  
 UNIT NO. 9, SHIV SHAKTI IND. ESTATE,  
 J .R. BORICHAMARG  
 OPP. KASTURBA HOSPITAL LANE  
 LOWER PAREL (E), MUMBAI 400 011

**BOARD OF DIRECTORS:**

SAMIR RASIKLAL SHAH	MANAGING DIRECTOR
SAUMIL SHRENIKBHAI SHAH	NON EXECUTIVE DIRECTOR
PARULBEN SAMIRBHAI SHAH	NON EXECUTIVE DIRECTOR
PRASANNA NARENDRA PANDYA	INDEPENDENT DIRECTOR
ASHOKKUMAR AMRATLAL SHAH	INDEPENDENT DIRECTOR
RINNI SONI	COMPANY SECRETARY AND COMPLIANCE OFFICER.

<b><u>AUDIT COMMITTEE</u></b>		<b><u>SHAREHOLDER GRIEVANCES COMMITTEE:</u></b>		<b><u>NOMINATION AND REMUNERATION COMMITTEE:</u></b>	
Ashokkumar shah	Chairman	Samir Shah	Chairman	Ashokkumar Shah	Chairman
Saumil Shah	Member	Saumil Shah	Member	Prasannana Pandya	Member
Prasannana Pandya	Member	Prasannana Pandya	Member	Saumil Shah	Member

## **NOTICE**

**Notice** is hereby given that 24<sup>th</sup> Annual General Meeting of members of Shangar Décor Limited will be held on Monday, 30<sup>th</sup> September 2019 at 03.30 pm at the Registered Office of the Company situated at 4, Sharad Flats, Opp. Dharnidhar Temple, Paldi, Ahmedabad – 380007 to transact the following businesses:

### **ORDINARY BUSINESS:**

#### **01. Adoption of Audited Financial Statements**

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

To receive, consider and adopt the Financial Statements of the Company for the financial year ended on 31<sup>st</sup> March 2019, including Audited Balance Sheet as at 31<sup>st</sup> March 2019 and the statement of Profit and Loss Account for the year ended on that date along with the reports of Auditors and Directors thereon.

#### **02. Reappointment of Director retiring by Rotation:**

To appoint a Director in place of Mr. Saumil Shah (DIN: 01601299), who retires by rotation and being eligible offers himself for re-appointment.

#### **03. To Confirm payment of Dividend:**

To confirm payment of dividend of Rs. 0.05 paisa per share for FY 2018 19.

#### **04. To Appoint Statutory Auditors:**

“RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions of the Companies Act, 2013 (the “Act”) and rules there under (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s S. D. Mehta & Co, Chartered Accountant, Ahmedabad (FRN. 137193W) and in respect of whom the Company has received a notice under Section 140(4) of the Act, proposing their appointment, be and is hereby appointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting of the Company for the Financial Year 2018-19 till the conclusion of Annual General Meeting of the Company for the Financial Year 2023-24 at such remuneration as shall be fixed by the Board of Directors, exclusive of travelling and other out of pocket expenses.”

“RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all actions as may be required to give effect to the aforesaid resolution.”

**Place: Ahmedabad**  
**Date: 05<sup>st</sup> September 2019**

**Reg. office:**  
**4, Sharad Flats, Opp. Dharnidhar Temple,**  
**Paldi, Ahmedabad 380007.**  
**CIN: L36998GJ1995PLC028139**  
**Email id: [shangardecorltd@hotmail.com](mailto:shangardecorltd@hotmail.com)**  
**(W) [www.shangardecor.com](http://www.shangardecor.com)**

**By order of the Board**  
**For Shangar Décor Limited**

**Sd/-**  
**Samirbhai Rasiklal Shah**  
**Chairman & Managing Director**  
**DIN 00787630**

### **NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her self and the proxy need not be the member of the company. A person can act as proxy on behalf members not exceeding 50 (fifty) and holding in aggregate not more than 10% (ten per cent) of share capital of the Company. However a member holding more than 10% (ten per cent) of share capital in company may appoint a single person as proxy and in such case proxy shall not act as proxy for any other member.

2. A form of proxy is herewith attached. The proxies in order to be effective must be submitted at the registered office of the company not less than 48 hours before the commencement of the meeting duly signed by the member. Proxies submitted on behalf of the Companies, Societies etc. must be supported by an appropriate resolution/ authority, as applicable. Members/ proxies/ authorized representative are requested to bring the attendance slip sent herewith, duly filled in for attending the meeting.
3. In case of joint holders, only a 1<sup>st</sup> Joint holder will be permitted to vote.
4. The Register of Members of the company will remain closed from September 21, 2019 to September 30, 2019 (both days inclusive) in connection with ensuing Annual General Meeting for Financial Year 2018 19.
5. Members are requested to inform the company of any change in their addresses immediately so as to enable the Company for any further communication at their correct addresses.
6. The Companies Act provides nomination facility to the members. As a member of the Company you have an option to nominate any person as your nominee to whom you shares shall vest in case of unfortunate event of death. It is advisable to avail this facility especially by the members holding shares on single name. This nomination would avoid process of acquiring rights in shares through transmission. In case of joint holders, nomination shall be effective only on death of the all the joint holders. If the share are held in Dematerialized form, the nomination form needs to be forwarded to your Depository Participant.
7. Trading in Equity Shares of the Company is compulsorily in Dematerialized mode by all the investors. Members are therefore requested to convert their Physical Shareholding in Demat Form in case they wish to trade their Equity Shares.
8. Pursuant to SEBI Circular dated 20<sup>th</sup> April 2018 vide circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73, all the shareholders of the Company holding shares in physical form are requested to provide and update their respective self certified Copies of PAN and Bank Statement of Active Bank Account to the Issuer Company and / or Registrar and Share Transfer Agent of the Company.
9. Pursuant to SEBI Circular dated 20<sup>th</sup> April 2018 vide circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73, the Shareholder may please be informed that w. e. f. 5<sup>th</sup> December 2018, the shareholders holding shares in Physical form are unable to Sale/transfer their shares in physical form. However, transmission and transposition of Shares shall be permitted in Physical Form. Hence Shareholders are again requested to get their shares demated. For any help / assistance for Demat of shares, shareholder may approach the Registrar and Share Transfer Agent of the Company or the Secretarial Department of the Company.
10. Members holding shares in physical form in multiple folios on the same name and in the same order are requested to consolidate all their folios. For this purpose, application may be submitted to M/s Purva Sharegistry India Pvt. Ltd.
11. Members seeking any information or clarification on the accounts are requested to send written queries to the Company; at least 10 days before the meeting to enable the management keep the required information available at meeting.
12. Annual Report for the Financial year 2018-19 of the company has been uploaded on website of the Company [www.shangardecor.com](http://www.shangardecor.com)
13. All documents referred to in the accompanying notice and the explanatory statement shall be open for inspection at the registered office of the Company during normal business hours up to the date of and during the Annual general Meeting of the Company and also available for inspection by the members at the AGM.
14. Electronic copy of the Notice along with Annual Report including remote E Voting instructions, Attendance Slips, Proxy Form is being sent to all the members whose emails id are registered with the Company / Depository Participants for communication purpose. For members who have not registered their email ids, physical copy of notice along with Annual Report including remote E -Voting instructions, Attendance Slips, Proxy Form is sent by permitted mode of dispatch.
15. For protection of environment and to conserve natural resources, members are requested to register their emails, with Company / RTA or Depository Participant to enable company to send communication including Annual Report, notices, circulars etc. electronically.

16. Voting rights shall be reckoned on the paid up value of shares registered in the name of the Member / beneficial owner as on the cutoff date i. e. Friday, 20<sup>th</sup> September 2019.

17. In terms of section 108 of Companies Act 2013 read with Companies (Management and Administration) Rules 2014, as amended from time to time and as per Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the Company is pleased to provide the e voting facility through Central Depository Services Limited (CDSL) to its members holding shares in physical or dematerialized form, as on cutoff date to exercise their right to vote by electronic means on any or all of the business specified in the accompanying notice.

This is to clarify that it is not mandatory for a member to vote using the E voting facility and a member may avail the facility at his / her discretion, subject to compliance with the instruction for Remote E-Voting.

Further in case of Members who are entitled to vote, amongst members present in person at the meeting, but have not exercised right to vote by electronics means, the Chairman of the Company shall allow voting by way of poll in terms of Rule 20(4)(xi) of the said rules for the business specified in the accompanying notice.

It is specifically clarified that members who have exercised their right to vote by remote electronics means, may be allowed to participate in Annual General Meeting but shall not be eligible to vote by way of poll at the meeting as per proviso to Rule 20(4)(vii).

The Information with respect to voting process and other instructions regarding remote e-voting are detailed in note no. 22.

18. M/s Viral Ranpura, Company Secretary, Ahmedabad has been appointed as Scrutinizer to scrutinize voting and remote e voting process in fair and transparent manner.

19. The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the AGM make a Consolidated Scrutinizer's Report of the votes cast in favour or against, if any, and submit the same to the Chairman of the meeting or a person so authorized by him in writing, who shall countersign the same.

20. The results shall be declared forthwith by the Chairman or a person so authorized by him in writing on receipt of report from the Scrutinizer. The Results declared along with Scrutinizer's Report shall be placed on the Company's website [www.shangardecor.com](http://www.shangardecor.com) and shall also be communicated to the BSE Limited.

21. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to the same being passed with requisite majority.

22. Voting process and other instructions regarding Remote E Voting:

- i) The Remote e-voting period shall commence Wednesday, 27<sup>th</sup> September 2019 at 09.00 am and shall end on Sunday, 30<sup>th</sup> September 2019 at 05.00 pm. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, the 20<sup>th</sup> September 2019, may cast their votes electronically. The e-voting module shall be disabled for voting thereafter.
- ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv) Click on Shareholders / Members.
- v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi) Next enter the Image Verification as displayed and Click on Login.
- vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
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"> <li>- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>- In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- ix) After entering these details appropriately, click on "SUBMIT" tab.
- x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii) Click on the EVSN 190907055 of "Shangar Décor Limited" on which you choose to vote.
- xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xx) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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.

xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Place: Ahmedabad**  
**Date: 05<sup>st</sup> September 2019**

**Reg. office:**  
**4, Sharad Flats, Opp. Dharnidhar Temple,**  
**Paldi, Ahmedabad 380007.**  
**CIN: L36998GJ1995PLC028139**  
**Email id: [shangardecorltd@hotmail.com](mailto:shangardecorltd@hotmail.com)**  
**(W) [www.shangardecor.com](http://www.shangardecor.com)**

**By order of the Board**  
**For Shangar Décor Limited**

**Sd/-**  
**Samirbhai Rasiklal Shah**  
**Chairman & Managing Director**  
**DIN 00787630**

**Shangar Decor Limited**  
4 Sharad Flats Opp-Dharnidhar Temple,  
Ahmedabad-380007.

24<sup>th</sup> Annual General Meeting – 30<sup>th</sup> September 2019

**ATTENDANCE SLIP**

This attendance slip duly filled in is to be handed over at the entrance of the meeting hall.

For Demat Shares

For physical Shares

DP ID:	Regd. Folio No:
Client ID:	Nos. of shares held:

Full Name of the Member attending: \_\_\_\_\_

Name of the proxy: \_\_\_\_\_

(To be filled in if proxy has been duly deposited with the Company)

I, hereby record my presence at the 24<sup>th</sup> Annual General Meeting of the company to be held on Monday, 30<sup>th</sup> September 2019 at 03.30 p.m. at 4 Sharad Flats Opp-Dharnidhar Temple, Ahmedabad-380007.

\_\_\_\_\_  
signature)

(Members' / Proxy's

this slip)

(To be signed at the time of handing over

\*Persons attending the Annual General Meeting are required to bring their Annual Report.

**NOTES:**

(1) Member/ Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.

(2) Member/ Proxy holder desiring to attend the meeting should bring his/her copy of the Notice and Annual Report for reference at the meeting

**ELECTRONIC VOTING PARTICULARS**

EVSN (Electronic Voting Sequence Number)	User id	*PAN
190907055	Use your DP ID/ Client ID/ Folio No	Use your PAN

\*Members who have not updated their PAN with the Company/ Depository Participant shall use e-voting code printed on the address label on the envelope in the PAN Field. For those having email IDs the e-voting code is sent by email.



**Shangar Decor Limited**

4 Sharad Flats Opp-Dharnidhar Temple,  
Ahmedabad-380007.

24<sup>th</sup> Annual General Meeting – 30<sup>th</sup> September 2019

**PROXY FORM**

**[MGT 11]**

[Pursuant to section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies  
(Management and Administration) Rules, 2014]

Name of the member (s):

\_\_\_\_\_

Registered address:

\_\_\_\_\_

E-mail Id:

\_\_\_\_\_

Shareholding:

\_\_\_\_\_ Folio No. / Client Id:

\_\_\_\_\_

I/ We, being the member, holding \_\_\_\_\_ number of Equity shares of Shangar Décor Limited, hereby  
appoint:

Name:	Email id:
Address:	Signature:

Or failing him / her

Name:	Email id:
Address:	Signature:

Or failing him / her

Name:	Email id:
Address:	Signature:

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the  
24<sup>th</sup> **Annual General Meeting** of the Company, to be held on the Monday, 30<sup>th</sup> September 2019 at 03.30  
pm at 4 Sharad Flats Opp-Dharnidhar Temple, Ahmedabad-380007 and at any adjournment thereof in  
respect of such resolutions as are indicated overleaf:

Sr. No	Resolution	Vote - Refer Note 4		
		For	Against	Abstain
	<b>ORDINARY BUSINESS</b>			
1	Adoption of the Financial Statements of the Company and reports of the Auditors and the Directors thereon.			
2	Reappointment of Mr. Saumil Shah, a Director liable to retire by Rotation.			
3	Confirm Dividend payment of Rs. 0.05/- per share for FY 18 19			
4	Appointment of Statutory Auditors of the Company for the term of Five Years.			

Signed this \_\_\_\_\_ day of September, 2019

Signature of Member(s)

Signature of Proxy Holder

Affix Revenue Stamp of not less than Re. 1/-
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**Notes:**

1. For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the 24<sup>th</sup> Annual General Meeting.
2. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
3. It is optional to indicate your preference. If you leave 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in any manner as he/she may deem appropriate.
4. Please affix appropriate revenue stamp before putting signature.
5. All alteration made in proxy should be duly initiated.
6. In case of multiple proxies, the proxy later in time shall be accepted.

**Shangar Decor Limited**

CIN: L36998GJ1995PLC028139

4, Sharad Flats, Opp-Dharnidhar Temple. Ahmedabad-380007

Phone: 07926634458

Email id: [shangardecorltd@hotmail.com](mailto:shangardecorltd@hotmail.com)

Website: [www.shangardecor.com](http://www.shangardecor.com)



## Director's Report

To the Members of,  
Shangar Decor Limited  
Ahmedabad

The Directors have pleasure to present their 24<sup>th</sup> Annual Report and the Audited Annual Financial Statements for the year ended 31<sup>st</sup> March, 2019.

### Summary of Financial Results:

Particulars	Current Year 2018 - 19 INR	Previous Year 2017 - 18 INR
Total Income	6,22,18,736	7,67,80,833
Total Expenses	5,96,29,169	7,45,71,897
Profit Before tax	25,89,567	22,08,936
Provision for Tax & Deferred Asset/ Liab.		
1. Current tax	651,000	333,927
2. Deferred tax	12,526	-
3. Prior Period Adjustment	-	-
Profit After Tax	19,26,041	18,75,009
EPS: Basic & Diluted	0.63	0.61

### State of Company Affairs:

During the year under review, Company earned net profit of Rs. 19.26 Lakhs compared to last years' net profit of Rs. 18.75 Lakhs. Though the Turnover of the Company declined, Net Profit of the Company has increased marginally.

During the year 2019, Company has completed a major contract of Rs. 2.50 Cr. of Lok Sabha Election of Government of India. During the year, Company has entered into a New Service Agreement for Decoration Business with Dayaji Anavil Kedavni Mandal which owns Six properties in the City of Surat, Gujarat. Company is likely to have major impact on the financial performance in the coming years.

### Dividend:

Considering the performance of Company and increase in Net Profit, the Board of Directors recommends Dividend of Rs. 0.05 paise per share for FY 2018 19 viz 0.5% of face value of Rs. 10/- each.

### Reserves:

The Board of Directors do not propose to transfer any amount to Reserves Account.

### Management Discussion and Analysis Report:

A detailed discussion on the Company's operations is presented in the chapter on Management Discussion and Analysis, which forms part of this Annual Report.

### Deposits and long term borrowings:

The Company has not invited or accepted any deposit from the public during the year under review.

### Particulars of Contracts of Agreements with related party:

In terms of Section 188 of Companies Act 2013, Company has entered in to Related Party Transaction at Arm's length price in normal course of business with only one related party. Relevant disclosures of Related Party Transaction are given in AOC-2 as Annexure I to this Director's Report.

Company has not entered in to any transaction "Not at Arm's Length price."

There are no other materially significant transactions with related parties i.e., promoters, Directors or the Management, their subsidiaries or relatives conflicting with the Company's interest.

**Directors' Responsibility Statement:**

In terms of Section 134(3) of the Companies Act, 2013, in relation to the Financial Statements for FY 2018-19, the Board of Directors states 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 have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the 31<sup>st</sup> March, 2019 and of the profit and loss account of the company for that period.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) The Directors have 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.
- 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.

**Internal Financial Controls:**

The Company has in place adequate internal financial controls with reference to Financial Statements. During the year, such controls were tested and no reportable material weakness was observed.

**Subsidiaries And Joint Venture:**

Company does not have any subsidiary companies. Company has not made any investment in Joint Venture Companies.

**Environment, Health And Safety:**

The Company accords the highest priority to health, environment and safety. The Company does not carry on manufacturing operations. The Company takes at most care for the employees and ensures compliance with the applicable rules and regulation applicable to the Company.

**Corporate Governance:**

Regulation 17 to 27 of SEBI (LODR) Regulation 2015 is not applicable to the Company as the Paid up Share Capital and Turnover of the Company are less than the minimum prescribed limits. Certificate of the Auditors in this regard is annexed to the Board's Report as Annexure II.

**Corporate Social Responsibility:**

The provisions of Companies Act 2013 and rules framed there under with regard to Corporate Social Responsibility do not apply to the Company and hence no disclosures have been made in that regard.

**Directors and Key Managerial Personnel:****Composition:**

The Board comprises of 5 (five) Directors, of which 2 (two) are Independent Directors.

**Directors Retiring By Rotation**

Mr. Saumil Shah (holding DIN: 01601299), a Director, whose terms of office is liable to determination by retirement of Directors by rotation under section 152 of Companies Act 2013 and being eligible offers herself for reappointment. Directors recommend his re appointment. Profile of Saumil Shah is attached herewith as **Annexure I**.

**Resignation of Directors:**

During the year, none of the Directors of the company have resigned from Board. After completion of financial year, Mr. Rajesh Dharajiya

**Declaration of Independent Directors:**

Pursuant to provisions of section 149(7) of Companies Act 2013, the Company has received declaration from Independent Directors for FY 2018-19 confirming that they meet the criteria of independence as prescribed

under the Act and erstwhile Listing Agreement and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

**Policy on Directors' Appointment:**

Pursuant to provisions of section 178 read with 134(3)(e) of Companies Act 2013, The Nomination and Remuneration Committee (NRC) has approved the criteria and process for identification / appointment of Directors. Directors of the Company strictly follow the process and criteria as prescribed by the committee.

**Manner of Evaluation of Board, Its Committees and Individual Directors:**

The Evaluation of Board, its Committees and Individual Directors was carried out as per process and criteria laid down by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee.

The obtaining and consolidation of feedback from all Directors in this regards, was coordinated by the Chairman of Independent Directors' meeting for Board, while the process of evaluation of the Independent Directors was coordinated by the Chairman of the Company. Based on this, Chairman of the Company briefed the Board and each of the Individual Directors, as applicable.

**Number of Meetings of the Board:**

The Board meets at regular interval with gap between two meetings not exceeding 120 days. Additional meetings were held as and when necessary. During the year under review, the Board met Five times and the proceeds of the Board Meeting have been duly recorded in minutes book. During the year total 5 Board Meetings were held respectively on 30.05.2018, 14.08.2018, 05.09.2018, 14.11.2018 and 13.02.2019.

**Remuneration:**

**Remuneration Policy:**

The Company has formulated the policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees of the Company which is as under:

**A) Components of Remuneration :**

- Fixed Pay comprising Basic Salary, HRA, Car Allowance (applicable to General Managers & above employees), Conveyance Allowances / Reimbursement, Company's contribution to Provident Fund, Superannuation Fund, Gratuity, etc.
- Variable Pay, which is either in the form of:  
Commission to Managing Directors and Commission to Whole-time Directors

**B) Annual Appraisal process:**

Annual Appraisals are conducted, following which annual increments and promotions in deserving cases are decided once in a year based on:

- Employees self-assessment;
- Assessment by Immediate Superior;
- Assessment by Head of Department;

Annual Increment leading to an increase in Fixed Pay consists of:

- Economic Rise based on All India Consumer Price Index published by the Government of India or Internal Survey wherein inflation on commonly used items is calculated.

**Remuneration of Independent Directors:**

The Company has formulated a policy for the remuneration of Independent Directors as follows:

- Sitting Fees of maximum Rs. 2500/- for each meeting of the Board or any Committee thereof, attended by them;
- Reimbursement of Expenses incurred by Independent Directors for attending any meeting of the Board.

**Particulars of Employees and Related Disclosures:**

There are no employees in the company whose salary exceed the prescribed limit under the Act hence disclosure of employees is not provided.

Disclosure under provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2015 is given here under.

- I) Disclosure under provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given herein below:

Sr. No.	Name and Designation	Ratio of Remuneration of Director to Median Remuneration of Employee	% Increase in remuneration for FY 2018 19
		Sub Clause (i) of Rule 5(1)	Sub Clause (ii) of Rule 5(1)
1	Samir Rasiklal Shah Managing Director	824.74	NIL
2	Saumil Shrenik Shah Director	357.39	NIL
3	Utsavi Bhatia Company Secretary	37.43	29.68

- II) Sub Clause (iii) of Rule 5(1): Median remuneration of employees increased by 30.93% compared to previous year 2016 17. Such percentage increase in median remuneration may not reflect correct increase due to increase in number of employees during the year as compared to 2017-18.
- III) Sub Clause (iv) of Rule 5(1): There are 14 employees on the pay roll of the Company other than Directors on the Board of Company.
- IV) Sub Clause (viii) of Rule 5(1): Average percentile increase already made in the employees of the Company during the FY 2018 19 is 4.71. Remuneration of Managerial Personnel has not been increased, hence no comparison thereof is provided.
- V) Sub Clause (x) of Rule 5(1): No Director has availed of any variable component of remuneration.
- VI) Sub Clause (xii) of Rule 5(1): it is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.
- VII) Sub Clause (i) to (iii) of Rule 5(2): There are no employees on the payroll of Company who receive remuneration in excess of limits prescribed under Rule 5 (2), hence no details are provided under Rule 5(3).

**Auditors:**

**Report of Statutory Auditors**

Niral Parikh & Associates. Chartered Accountant, Ahmedabad have submitted their resignation on 15<sup>th</sup> June 2019 due to their preoccupation. The Board of Directors in their Board Meeting held on 15<sup>th</sup> June 2019 have appointed M/s S. D. Mehta & Co, Chartered Accountants, Ahmedabad as the Statutory Auditor of the Company. The Auditors' report for financial year 2018 19 is self explanatory and forms part of this Annual Report and does not contain any qualification, reservation or adverse remark.

M/s S. D. Mehta & Co, Chartered Accountants, Ahmedabad are entitled to hold the office of Auditor till the ensuing Annual General Meeting as they have been appointed in Casual vacancy. The Board of Directors recommend to appoint M/s S D Mehta & Co, Chartered Accountants, Ahmedabad (FRN 137193W) for the term of five years expiring on the date of Annual General Meeting to be held for FY 2023-24.

**Brief profile of statutory auditors is herewith attached as Annexure III**

**Report of Secretarial Audit:**

Viral Ranpura, Company Secretary in practice was appointed as Secretarial Auditor of the Company and they have issued a Report under provisions of Section 204 of Companies Act 2013 and is placed as **Annexure II** to this report.

The Secretarial Audit Report is self explanatory and does not contain any qualification.

**Report of Cost Auditor:**

Provisions of Section 148 of Companies Act 2013 are not applicable to the Company and hence no disclosures are required in that regard.

**AUDIT AND RISK MANAGEMENT:**

The Board of Directors have duly constituted Audit Committee. This Committee of the Board also plays the role of Risk Management Committee and is called as Audit and Risk Management Committee. The role and responsibilities of the Committee have been specifically defined. The Audit Committee consists of following members:

**Composition of Audit Committee:**

<b>Name of Members of Audit Committee</b>	<b>Designation</b>
Ashokkumar Amratlal Shah	Chairman
Saumil Shrenikbhai Shah	Member
Prasanna Narendra Pandya	Member

**Vigil Mechanism:**

The Company has adopted a Whistle Blower Policy since March 2015 in compliance with erstwhile Listing Agreement and Companies Act 2013. The Policy empowers all the Stakeholders to raise concerns by making Protected Disclosures as defined in the Policy. The Policy also provides for adequate safeguards against victimization of Whistle Blower who avail of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The functioning of the Whistle Blower mechanism is reviewed by the Audit Committee on a quarterly basis. As on date, none of the stakeholders have raised any Whistle Blower concern.

**Risk Management Policy:**

The Board of Directors has developed and implemented Risk Management Policy for the Company. It has identified and assessed various risks factors, with potential impact on the Company in achieving its strategic objectives or may threaten its existence. The Policy lays down procedures for risk identification, assessment, monitoring, review and reporting. The Policy also lists the roles and responsibilities of Board and Risk Management Committee.

**Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo:**

During the year, Company has neither spent nor earned any foreign exchange.

Since the company does not carry on any manufacturing activity, the other particulars in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

**Extracts of Annual Return and other Disclosures Under Companies (Appointment & Remuneration) Rules, 2014:**

The Extract of Annual Return in form No. MGT-9 as per Section 134 (3)(a) of the Companies Act, 2013 read with Rule 8 of Companies Act (Accounts) Rules 2014 and Rule 12 of Companies(Management & Administration) Rules, 2014 duly certified is annexed hereto as **Annexure III** and forms part of this report.

**Share capital:**

During the year under review, there has been no change in the paid up share capital of the Company. Paid Up Share Capital of the Company consists of 30,60,100 Equity Shares of INR 10/- each.

**Change of management:**

During the year, there is no change in the management of the company.

**Change in Nature of Business:**

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



**Particulars of Loans, Guarantees Or Investments:**

The particulars of Loans, Guarantees or investments as covered under provision of section 186 of the Companies Act, 2013 made by the company during financial year 2018-19 are given under the respective head of Financial Statements and the same is furnished in the notes to the Financial Statements.

**Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year to which the financial statements relates and the date of the report:**

No material changes and commitments, affecting the financial position of the Company occurred between the end of the Financial Year to which this financial statement relates and up till the date of Report except following:

- M/s Niral Parikh & Co, Chartered Accountants, Ahmedabad being the Statutory Auditors of the Company have resigned as Statutory Auditors due to their preoccupation.
- M/s S. D. Mehta & Co, Chartered Accountants, Ahmedabad have been appointed as Statutory Auditors in casual vacancy.
- Mr. Rajesh Dharajiya, Independent Director of the Company has resigned from the Board due to his preoccupation.
- Company has entered into a major service agreement with Dayaji Anavil Kedavni Mandal for its six properties in the city of Surat, Gujarat for Decoration Business. This agreement is likely to have major impact on the performance of the Company.

**Transfer of funds to Investor Education and Protection Fund:**

The Company is not required to transfer any amount to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to the provision of Section 125 (e) of the Companies Act, 2013 as there is no amount unclaimed for a period of 7 years from the date it became due for payment.

**Details of material and significant orders passed by the regulators or courts or tribunals:**

There were no significant and material orders issued against the Company by any regulating authority or court or tribunal that could affect the going concern status and Company's operation in future except fine imposed for late submission of Compliance under SEBI (LODR) Regulation 2015 by BSE Limited.

**Disclosure under the sexual harassment of women at workplace (prevention, prohibition and redressal) act, 2013:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. During the financial year 2018-19, the Company has not received any complaint on sexual harassment.

**Acknowledgment:**

The Board of Directors wishes to place on record its appreciation for the cooperation extended by Banks, Government Authorities, Customers, Shareholders and Employees of the Company and looks forward to a continued mutual support and co-operation.

**Date: 05<sup>st</sup> September 2019**  
**Place: Ahmedabad**

**Sd/-**  
**Samirbhai R. Shah**  
**Managing Director**  
**DIN 00787630**

**For Shangar Decor Limited**  
**By Order of the Board**

**Sd/-**  
**Saumil Shah**  
**Director**  
**DIN: 01601299**

### Annexure I Director Profile

<b>Name</b>	Saumil Shrenikbhai Shah
<b>DIN</b>	01601299
Age	42 Years
Brief Resume	Mr Saumil Shah is Non Executive Director of the Company having wide range of Experience in the industry. He associated with the Company since 2006.
Date of First Appointment	01.11.2006
Directorship held in other Companies	NIL
Membership or Chairmanship of other Companies	NIL
Inter-se Relationship with Director	Related to Managing Director of the Company. He is also a promoter member.
Shareholding in Company	300,000 Equity Share representing 9.80% of Shareholding of the Company.

**Annexure II**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2019**

[Pursuant to section 204(1) of the Companies Act,

2013 and rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

**SHANGAR DECOR LIMITED**

(CIN: L36998GJ1995PLC028139)

4<sup>th</sup>Sharad Flats, Opp. Dharnidhar Temple,

Ahmedabad, Gujarat-380007

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s SHANGAR DECOR LIMITED** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's 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<sup>st</sup> March 2019** ('Audit Period') complied with the statutory provisions listed here under 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 the Company for the financial year ended on **31<sup>st</sup> March 2019** 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 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not applicable to the Company during the Audit Period**);
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the 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 to the Company during the Audit Period**); and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit Period**).

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

- (ii) The Uniform Listing Agreement entered into by the Company with Stock Exchanges pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time.

**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) Payment of Bonus Act, 1965 and Rules made there under;
- (b) Minimum Wages Act, 1948 and Rules made there under;
- (c) Contract Labour (Regulation & Abolition) Act, 1970 and Rules made there under;
- (d) Employee State Insurance Act, 1948 and Rules made there under;
- (e) Provident Fund Act, 1952 and Rules made there under;

**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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**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.

**Place: Ahmadabad**  
**Date: September 3, 2019**

**VIRAL RANPURA**  
**COMPANY SECRETARY**  
**(ACS 28496, COP 10361)**

To,  
The Members,  
**SHANGAR DECOR LIMITED**  
(CIN: L36998GJ1995PLC028139)  
4<sup>th</sup>Sharad Flats, Opp. Dharnidhar Temple,  
Ahmedabad, Gujarat-380007

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. 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.

**Place: Ahmadabad**  
**Date: September 03, 2019**

**VIRAL RANPURA**  
**COMPANY SECRETARY**  
**(ACS 28496, COP 10361)**

**Annexure III**  
**Form no. MGT-9:**  
**Extract of Annual Return**  
**As on the Financial Year Ended On 31.03.2019**

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

**I. Registration and other details:**

(i)	CIN Number	L36998GJ1995PLC028139
(ii)	Registration Date	16/11/1995
(iii)	Name of the Company	Shangar Decor Limited
(iv)	C a t e g o r y / S u b - category of the Company	Public Company/Limited by Shares
(v)	Address of the Registered Office with Contact Details	4 Sharad Flats Opp-Dharnidhar temple, Ahmedabad- 380007  Tel No. 07926634458 E-mail ID: <a href="mailto:shangardecorltd@hotmail.com">shangardecorltd@hotmail.com</a> Website: <a href="http://www.shangardecor.com">www.shangardecor.com</a>
(vi)	Whether Listed Company	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agents if any	<b>M/s. Purva Sharegistry (India) Pvt. Ltd.</b> Unit no. 9, Shiv Shakti Ind. Estate, J .R. Boricha marg Opp. Kasturba Hospital Lane Lower Parel (E), Mumbai 400 011 Tel No. 91-22-23016761/8261 Email Id: <a href="mailto:busicomp@vsnl.com">busicomp@vsnl.com</a>

**II. Principal business activities of the company:**

Sl. No	Name and Description of Main Products/Services	NIC Code of the Product/ Service	% to total turnover of the company
1.	Other Business Activities	74999	100

**III. Particulars of holding, subsidiary and associate companies:**

The Company Does not have any holding, subsidiary and associate companies.

4. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of total equity)

i) Category-wise Share Holding:

Category of Shareholder	No. of Shares held at the beginning of the year 01.04.2018				No. of Shares held at the end of the year 31.03.2019				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of Total Share	% Change during the year.
<b>A. PROMOTER AND PROMOTER GROUP</b>									
<b>1) INDIAN</b>									
(a) Individual / HUF	0	19,99,700	19,99,700	65.35	19,99,700	0	19,99,700	65.35	0.00
(b) Central Government									
(c) State Government (s)									
(d) Bodies Corporate									
(e) Financial Institutions / Banks									
(f) Any Other									
<b>Sub - Total A (1)</b>	<b>0</b>	<b>19,99,700</b>	<b>19,99,700</b>	<b>65.35</b>	<b>19,99,700</b>	<b>0</b>	<b>19,99,700</b>	<b>65.35</b>	<b>0.00</b>
<b>2) FOREIGN</b>									
a) Individuals (NRIs / Foreign Individuals)	0	0	0	0	0	0	0	0	0.00
b) Other individuals									
c) Bodies Corporate									
d) Banks / FIs									
e) Any others									
<b>Sub Total A (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Total Shareholding of Promoters</b>	<b>0</b>	<b>19,99,700</b>	<b>19,99,700</b>	<b>65.35</b>	<b>19,99,700</b>	<b>0</b>	<b>19,99,700</b>	<b>65.35</b>	<b>0.00</b>
<b>A = A(1) + A(2)</b>									
<b>B. PUBLIC SHAREHOLDING</b>									
<b>1) INSTITUTIONS</b>									
a) Mutual Fund									
b) Banks / Financial Institutions	0	0	0	0	0	0	0	0	0
c) State / Central Government									
d) Venture Capital Funds									
e) Insurance companies									
f) Foreign Institutional Investors									
g) Foreign Venture Capital Investors									
h) Others									
<b>Sub Total B(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>2) NON - INSTITUTION</b>									
a) Bodies Corporate	0	0	0	0	59020	0	59020	1.93	100.00
b) Individuals									
- Individual Shareholders holding nominal share capital up to Rs. 2 Lac	0	565600	565600	18.48	195234	247150	442384	14.46	21.78
- Individual Shareholders holding nominal share capital	0	494800	494800	16.17	373907	123000	496907	16.24	0.43

in excess of Rs. 2 Lac									
c) Others									
- HUF	0	0	0	0.00	21100	30000	51100	1.67	100.00
- Clearing Member	0	0	0	0.00	10989	0	10989	0.36	100.00
- NRI	0	0	0	0.00	0	0	0	0.00	0.00
- Trust	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total B (2)</b>									
<b>Total Public Shareholding B = B(1) + B(2)</b>	<b>0</b>	<b>1060400</b>	<b>1060400</b>	<b>34.65</b>	<b>660250</b>	<b>400150</b>	<b>1060400</b>	<b>34.65</b>	<b>0.00</b>
C. SHARES HELD BY CUSTODIANS FOR ADR / GDR									
<b>Grand Total (A + B+ C)</b>	<b>0</b>	<b>3060100</b>	<b>3060100</b>	<b>100.00</b>	<b>2659950</b>	<b>400150</b>	<b>3060100</b>	<b>100.00</b>	<b>0.00</b>

ii) Share Holding by Promoters:

Shareholders' Name	No. of Shares held at the beginning of the year 01.04.2018			No. of Shares held at the end of the year 31.03.2019			% Change during the year
	No. of shares	% of total shares of the Company	% of shares pledged to total shares	No. of shares	% of total shares of the Company	% of shares pledged to total shares	
1. Samir Shah	1174500	38.38	-	1174500	38.38	-	0
2. Saamil shrenikbhai Shah	300000	9.80	-	300000	9.80	-	0
3. Vipul Jagdishchandra	300000	9.80	-	300000	9.80	-	0
4. Parul Samir Shah	206300	6.74	-	206300	6.74	-	0
5. Himani Mounil Shah	6300	0.21	-	6300	0.21	-	0
6. Moulin Shah	6300	0.21	-	6300	0.21	-	0
7. Sahil Shah	6300	0.21	-	6300	0.21	-	0

Change in Promoters' Shareholding:

Sr. No	Particulars	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	At the beginning of the year	01.04.2018	19,99,700	65.35	19,99,700	65.35
2	Date wise increase or decrease in promoters shareholding during the year specifying the reason for increase / decrease	-	-	-	-	-
3	At the end of the year	31.03.2019	19,99,700	65.35	19,99,700	65.35



iii) Shareholding pattern of Top 10 Shareholders (other than Directors, Promoters and holders of ADR / GDRs)

Sr. No	Name of Shareholder	Shareholding		Date	Increase / Decrease in Shareholding	Cumulative Shareholding	
		No. of shares at the beginning (01.04.2018)	% of shares of the company			Nos. of shares	% of total shares of the company
1)	Rutvi Kankbhai Shah	82000	2.68	-	-	82000	2.68
	Shareholding as at 31.03.2019					82000	2.68
2)	Manali Thakkar	51925	1.70	01.12.19	(5000)	46925	1.53
	Shareholding as at 31.03.2019					51925	1.53
3)	Chandubhai danabhai Vaghela	38218	1.25	06.07.2018 16.11.2018 23.11.2018 07.12.2018 01.12.2019	2000 (1000) 1000 (1000) (39618)	40618 39618 40618 39618 NIL	2.06 1.29 1.32 1.29 NIL
	Shareholding as at 31.03.2019					NIL	NIL
4)	Mahavirbhai Tiwari	37942	1.24			37942	1.24
				11.05.2018 28.09.2018 07.12.2018 14.12.2018 08.03.2019 29.03.2019	940 51869 (4100) (60) (3000) 220	38882 90571 86471 86411 83411 83631	1.27 2.96 2.82 2.82 2.72 2.73
	Shareholding as at 31.03.2019					83631	2.73
5)	NPR Infotech Private Limited	33771	1.10			33771	1.10
				27.04.2018 08.06.2018 15.06.2018 28.09.2018 09.11.2018 11.01.2019 01.03.2019 29.03.2019	3590 (500) (29) (444) (500) 16455 9000 636	37361 36861 36832 36388 35888 52343 61343 61979	1.22 1.20 1.20 1.19 1.17 1.71 2.00 2.02
	Shareholding as at 31.03.2019					61979	2.02
6)	Chawala Nirali Rajeshkumar	27600	0.90			27600	0.90
	Shareholding as at 31.03.2019					27600	0.90
7)	Suresh Gordhandas Patel	26000	0.85			26000	0.85

				29.03.2019	(5000)	21000	0.67
	Shareholding as at 31.03.2019					21000	0.67
8)	Mani P	23974	0.78			23974	0.78
				06.04.2018	(3294)	20500	0.67
				13.04.2018	(90)	20410	0.67
				20.04.2018	(45)	20365	0.66
				11.05.2018	(90)	20275	0.66
				01.06.2018	45	20320	0.66
				08.06.2018	5	20325	0.66
				22.06.2018	(9995)	10330	0.34
				06.07.2018	180	10510	0.34
				03.08.2018	(10510)	0	NIL
	Shareholding as at 31.03.2019					NIL	NIL
9)	Sanjyakumar Sevantilal Shah	23200	0.76			23200	0.76
				11.05.2018	5000	28200	0.92
				01.06.2018	30000	58200	1.90
				07.12.2018	-1225	56975	1.86
				14.12.2018	-8464	48511	1.58
				21.12.2018	-4015	44496	1.45
				04.01.2019	-2500	41996	1.37
				18.01.2019	-2500	39496	1.29
				25.01.2019	-800	38696	1.26
				01.12.2019	-500	38196	1.25
				08.02.2019	-6710	31486	1.03
				22.02.2019	-31486	NIL	NIL
	Shareholding as at 31.03.2019					NIL	NIL
10)	Rajvi Kanak Shah	20500	0.67			20500	0.67
	Shareholding as at 31.03.2019					20500	0.67
11)	Shah Tushar Shashikant	NIL	NIL			NIL	NIL
				08.06.2018	63000	63000	2.06
	Shareholding as at 31.03.2019					63000	2.06
12)	Devang Rajnikant Shah	NIL	NIL			NIL	NIL
				22.06.2018	20000	20000	0.65
				14.12.2018	1000	21000	0.69
				21.12.2018	(1000)	20000	0.65
				08.02.2019	5000	25000	0.82
				15.02.2019	5000	30000	0.98
				22.02.2019	5000	35000	1.14
				01.03.2019	13000	48000	1.57
				08.03.2019	7447	55447	1.81
	Shareholding as at 31.03.2019					55447	1.81
13)	Wealth Street Advisors Pvt. Ltd	NIL	NIL			NIL	NIL
				01.12.2019	19995	19995	0.65
				22.02.2019	4504	24499	0.80

				01.03.2019	10000	34499	1.13
				08.03.2019	13986	48485	1.58
				15.03.2019	5650	54135	1.77
	Shareholding as at 31.03.2019					54135	1.77
14)	Hemanli Sanjay Shah	NIL	NIL			NIL	NIL
				01.06.2018	33500	33500	1.09
				15.06.2018	900	34400	1.12
				22.06.2018	-1010	33390	1.09
				21.12.2018	5	33395	1.09
				04.01.2019	500	33895	1.11
				01.02.2019	300	34195	1.12
				22.02.2019	-181	34014	1.11
				29.03.2019	7500	41514	1.36
15)	Preetiben Chawla	NIL	NIL			NIL	NIL
				15.06.2018	30000	30000	0.98
	Shareholding as at 31.03.2019					30000	0.98
16)	Barkha Rajesh Ahuja	NIL	NIL			NIL	NIL
				27.07.2018	30000	30000	0.98
	Shareholding as at 31.03.2019					30000	0.98
17)	Chawla Krunal Omprakash	NIL	NIL			NIL	NIL
				20.04.2018	29500	29500	0.96
				22.06.2018	400	29900	0.98
					(400)	29500	0.96
	Shareholding as at 31.03.2019					29500	0.96

iv) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name of Director and KMP	Shareholding at the beginning of the year 01.04.2018		Shareholding at the end of the year 31.03.2019	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Saumil Shrenik Shah	300,000	9.80	300,000	9.80
2	Parulben Samir Shah	206,300	6.74	206,300	6.74
3	Samirbhai Rasiklal Shah	11,74,500	38.38	11,74,500	38.38

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

Sr. No	Particulars of Debt	Secured Loans excluding Deposit	Unsecured Loans	Deposits	Total indebtedness
<b>Indebtedness at the beginning of the Financial year</b>		-	-	-	-
i)	Principle Amount	38,36,106	43,53,000	-	81,89,106
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	-	-	-	-
<b>Changes in indebtedness during the Financial Year</b>					
	Addition	-	68,60,241	-	68,60,241
	Reduction	(10,29,578)	-	-	(10,29,578)

	Net Change	(10,29,578)	68,60,241	-	58,30,663
<b>Indebtedness at the end of the Financial year</b>					
i)	Principle Amount	28,06,528	1,12,13,241	-	1,40,19,769
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	28,06,528	1,12,13,241	-	1,40,19,769

**vi) Particulars of Remuneration:**

S. No	Particulars of Remuneration	Name of Director and Designation		Total
		Samir Shah Managing Director	Saumil Shah Director	
1	Gross Salary	900,000	10,40,000	19,40,000
	Salary as per provisions contained in Section 17(1) of I T Act 1961	-	-	-
	Value of perquisites u/s 17(2) Income Tax Act 1961	-	-	-
	Profits in lieu of Salary under Section 17(3) Income Tax Act 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Rent	-	-	-
	Total (A)	900,000	10,40,000	19,40,000

**vii) Penalties / Punishment / Compounding of offences:**

Type	Section of Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees paid	Authority(RD/NCLT/ Court)	Appeal made, if any
<b>A. Company</b>					
Penalty Punishment Compounding			NIL		
<b>B. Directors</b>					
Penalty Punishment Compounding			NIL		
<b>C. Other officers in default</b>					
Penalty Punishment Compounding			NIL		

**For Shangar Decor Limited  
By Order of the Board**

**Sd/-  
Samirbhai R. Shah  
Managing Director  
DIN 00787630**

**Sd/-  
Saumil Shah  
Director  
DIN: 01601299**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Overview of the Economy:

As per the revised estimates for GDP data released by Central Statistical Office (CSO), the GDP is to grow at 7.4% in 2018-19 as against 6.9% in 2017-18. While the industry and services sector are estimated to grow at a higher rate in 2018-19 than that in 2017-18, the agriculture sector was also affected adversely by shortfall and unseasonal rains.

The economy of India has emerged as one of the largest economies with a promising economic outlook on the back of controlled inflation, rise in domestic demand, increase in investments, decline in oil prices and reforms among others. More benefit to the Country is that it has got stable Government with good support at Central level after long.

As per Global Economic Prospects Report, the global economy is expected to grow 2.8 percent in 2018, slightly less than forecast. Developing country growth, buffeted by falling commodity prices, the stronger dollar, and tightening financial conditions, has been revised downward to 4.4% in 2018 but is expected to pick up momentum and reach 5.3% in 2018-19.

### Industry Structure and Development:

The growth of Company's Services is based on the push-and-pull effects of Demand and Supply determinants like the economic trends in India & Outside, growth of infrastructure. It always remains key area of the Company to provide innovative Service in design and finishing to the customers without compromising with quality. Today, the per head income in India is increased which converted into purchasing power of a person. However, looking to the stability of Central Government, clear vision and mission of Government to provide Stable income to every family at possible level etc. the growth rate of this industry is expected around 7 to 8% in coming year. The population in India has the youngest persons in the world. The mixture of newness and economic productivity is result into investments in interior as well as exterior decoration. In India urbanization is the big matter which may generate more demand for Decoration Services and will result into increase in demand of associated products.

### Opportunities and Threats:

#### Opportunities:

- **Good Brand Image:** Company has good brand image and quality Services in the Indian market.
- **Wide Service range:** Company has Very Wide service Coverage as compared to others.
- **Superiority over its competitors:** Company remains eager in providing latest designs and Service to its customers.
- **Online Services:** Company Provide Online Services to its Customer. The company will take effective steps to take benefit of this opportunity.
- **Expand Market Network:** The Company continues to expand its marketing networks, by appointing Consignment Agent, branches, distributors, dealers etc. in various states in all over the country.

#### Threats:

- **High Competition Era:** The Decor Industry has entered into the orbit of the high competition. The market fights are set to intensify with unstoppable capacity build up. The Competition from both unorganized and other organized players, leading to difficulties in improving market share.
- **Manpower:** The one of the common problem emerged for finding talent with competence or even skilled man power for Decor industries irrespective of the company Brand or Size.
- **Under cutting of price:** Due to high competitions in market, the competitors are doing price cutting of Services to compete or keep their existence in markets which is ultimate big problems for the industries.
- **New Entrance:** More and more new organized players are entering into market which will increase competition in organized sector also.

### Segment-wise Financial Performance:

Decorative, commercial and other Service division is acting very soundly. The company is also focusing to capture rural market along with urban market. Turnover of the company decreased marginally from Rs. 7.59 Cr to Rs. 6.22 Cr as compared to previous financial year.

During the year, Company has entered into a major service agreement with Dayaji Anavil Kedavni Mandal for its six properties in the city of Surat, Gujarat for Decoration Business. This agreement is likely to have major impact on the performance of the Company.

The company has also planned course of action for achieving more improved margins by better control over fixed overheads and better resource management in the next year. Directors are hopeful for higher turnover and improved margins for the next year.

#### **Future Outlook:**

The Company's outlook for the year 2019-20 is to add more products in the product range as per requirement in the market. After a long time, Country got a fully supported and stable government which may benefit to the Decor Industry. However, there may be possibility of entrance of new organized and unorganized industries in this sector, the supply may beat to demand which can cause price volatility in the market. But, having modern decorative materials the products of our Company may be in position to capture emerging prospects and to face the market risk or competition.

#### **Internal Control Systems and their Adequacy:**

Company has an adequate Internal Controls system aimed at achieving efficiency in operations, optimum utilization of resources and compliance with all applicable laws and regulations. Your company has internal control Department which carried following activities on regular basis.

- Reviewing accounting system and related controls.
- Examining management of financial and operating information.
- Examining the economy, efficiency, effectiveness and propriety of operations.
- Identifying the risks in relation to key business processes and verify whether an effective control exists to mitigate these risks.
- Suggesting measures for optimizing the Business Process Controls.
- Reviewing adherence to corporate policies.
- To examine and audit the areas in consultation with the management and to report on critical issues the internal controls Department headed by Internal Auditor of the company. The Company's internal control system is designed to ensure management efficiency, measurability and verifiability, reliability of accounting and management information, compliance with all applicable laws and regulations, and the protection of the Company's assets and so that the main company risks (operational, compliance-related, economic and financial) are properly identified and managed over time. The Board of Directors, responsible for the internal control system, sets the guidelines, verifying its adequacy, effectiveness and application.

#### **Material Developments in human resources / industrial relations front, including number of people employed:**

The Company always recognizes the importance of manpower. Company promotes employees to attend outside seminars or programs related to their fields and motivational which encourage them to make contribution toward company, family and nation at large. Company also encourages to the employees to offer their creative suggestions for development in their respective areas which are thoroughly discussed in periodical meetings. The company enjoyed excellent relationship with workers and staff at its manufacturing plants and administrative office. The Company has been maintaining cordial and healthy Industrial Relations, which has helped to a great extent in achieving the upper growth.

#### **Discussion on Financial Performance with respect to operational performance:**

During the year under review, Company earned net profit of Rs. 19.26 Lakhs compared to last years' net profit of Rs. 18.75 Lakhs. Though the Turnover of the Company declined, Net Profit of the Company has increased marginally.

During the year 2019, Company has completed a major contract of Rs. 2.50 Cr. of Lok Sabha Election of Government of India. During the year, Company has entered into a New Service Agreement for Decoration Business with Dayaji Anavil Kedavni Mandal which owns Six properties in the City of Surat, Gujarat. Company is likely to have major impact on the financial performance in the coming years.

**Caution Statement:**

Statements made in the Management Discussion and Analysis describing the various parts may be “forward looking statement” within the meaning of applicable securities laws and regulations. The actual results may differ from those expectations depending upon the economic conditions, changes in Govt. Regulations and amendments in tax laws and other internal and external factors.

**For Shangar Decor Limited  
By Order of the Board**

**Sd/-  
Samirbhai R. Shah  
Managing Director  
DIN 00787630**

**Sd/-  
Saumil Shah  
Director  
DIN: 01601299**

**Date: 05<sup>st</sup> September 2019**

**Place: Ahmedabad**

## Independent Auditors' Report

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To the Members of,  
**Shangar Décor Limited**

### 1. Opinion

We have audited the accompanying Ind AS financial statements of **Shangar Décor Limited** which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement for the year then ended, and a 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 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis of Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Key Audit Matters

Key Audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### 2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in the section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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, read with Rule 7 of the Companies (Accounts) Rules,

2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In Preparing the financial statements, the management and Board of Directors of the company are responsible for assessing the ability of company to continue as a going concern, disclosing, as applicable, matter related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.



### 3. Auditor's Responsibility for the Financial Statements

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedure that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentations of the financial statements.

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

### 4. Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section (11) of section 143 of the Companies Act, 2015 we give in the "**Annexure-A**" a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
- ii. As required by section 143(3) of the Act, we report that:
  - a. We have 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 appears from our examination of those books.
  - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and accordance to the explanation given to us:
    - i. The company does not have any pending litigations which would impact its financial position.

- ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For, **S. D. Mehta & Co.**  
Chartered Accountants  
(Registration No. 137193W)

Date: 27<sup>th</sup> June, 2019  
Place: Ahmedabad

Sd/-  
**Shaishav D. Mehta**  
Partner  
M.No.: 032891

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**Annexure-A to Independent Auditors' Report**

Referred to in Paragraph 5(i) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.

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**1. In respect of Fixed Assets**

- a. The Company is maintained proper records showing full particulars, including quantitative details and Situations of its Fixed Assets.
- b. The fixed assets are physically verified by the management at regular intervals and in our opinion is reasonable having regard to the size of Company and the nature of its assets. Pursuant to the verification a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

**2. In respect of its inventories:-**

(a) Inventories have been physically verified by the management at reasonably regular intervals during the year. (b) In my opinion and according to the information and explanation given to me, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company has maintained proper records of inventories. As explained to me, there were no material discrepancies noticed on physical verification of inventory as compared to the book.

- 3 The Company has not granted loans to parties covered in the Register maintained under Section 189 of the Companies Act, 2013. As such reporting requirements under this para are not applicable for the reporting period.
- 4 In respect of loan, the provisions of section 185 and 186 have been complied with. There are no loans to directors; there are no investments, guarantees and securities requiring compliance u/s 186 of the Companies Act, 2013.
- 5 During the year, the company has not accepted any deposits from public.
- 6 Company is not required to maintain cost records pursuant to section 148 (1) of the Companies Act, 2013.

**7 In respect of Statutory Dues:**

- a. According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Income Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no undisputed dues, payable in respect of above as at 31st March, 2019 for a period of more than six months from the date on which they became payable.
- b. According to the information and explanations given to us and on the basis of our examination of books of account and record, the details of aforesaid statutory dues as at March 31, 2019 which have not been deposited with the appropriate authorities on account of any dispute, are given below:

Name of Statute	Nature of dues	Amount (Rs.)	Accounting Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	24,920	2007-08	Assessing Officer
Income Tax Act, 1961	Income Tax	22,98,390	2017-18	CPC

- 8 As the Company has not availed any term loan the question of purpose and application does not arise.
- 9 No Money raised by preferential allotment where applied for the purpose for which those were raised.
- 10 To the best of our knowledge and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.
- 11 The Company has not paid or provided managerial remuneration under section 197 of the Companies Act, 2013 and hence, the provision of paragraph 3(xi) of the Order is not applicable to the Company.
- 12 The company is not a Nidhi company. As such The Nidhi rules, 2014 are not applicable.
- 13 All transactions with the related parties are in compliance with the sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by applicable accounting standards.
- 14 The company has not made any preferential allotment or Private placement of shares of fully or partly convertible debentures during the year under review.
- 15 The company has not entered into any non cash transactions with directors or persons connected with it.
- 16 Company is not required to be registered u/s. 45-IA of the Reserve Bank of India Act, 1934.

For, **S. D. Mehta & Co.**  
Chartered Accountants  
(Registration No. 137193W)

Date: 27<sup>th</sup> June, 2019  
Place: Ahmedabad

Sd/-  
**Shaishav D. Mehta**  
Partner  
M.No.: 032891

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**Annexure-B to Independent Auditors' Report**

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

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We have audited the internal financial controls over financial reporting of **Shangar Décore Limited** ("the Company") as of 31 March 2019 in conjunction with our audit of the 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 judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 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 31 March 2019, 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.

Date: 27<sup>th</sup> June, 2019  
Place: Ahmedabad

For, **S. D. Mehta & Co.**  
Chartered Accountants  
(Registration No. 137193W)

Sd/-  
**Shaishav D. Mehta**  
Partner  
M.No.: 032891

## Shangar Décor Limited

**Balance Sheet as at 31st March, 2019**

Particulars	Note no.	As at 31st March, 2019		As at 31st March, 2018	
<b>ASSETS</b>					
<b>(1) Non-current assets</b>					
(a) Property, Plant & Equipment		6,88,63,616		5,33,69,595	
(b) Capital work-in-progress					
(c) Investment Property					
(d) Goodwill					
(e) Other Intangible Assets					
(f) Intangible Assets under development					
(g) Biological Assets other than bearer plants					
(h) Financial Assets :					
(i) Investments	4.01	19,12,500		19,12,500	
(ii) Trade receivables		-		-	
(iii) Loans and advances		-		-	
(iv) Others (to be specified)		-		-	
(i) Deferred tax assets (net)					
(j) Other non-current assets		-		-	
			<b>7,07,76,116</b>		<b>5,52,82,095</b>
<b>(2) Current assets</b>					
(a) Inventories	4.02	1,24,62,190		1,19,52,300	
(b) Financial Assets :					
(i) Investments					
(ii) Trade receivables	4.03	4,74,55,078		5,73,86,152	
(iii) Cash and cash equivalents	4.04	58,10,521		17,32,553	
(iv) Bank balances other than (iii) above					
(v) Loans and advances	4.05	-		13,53,385	
(vi) Others (to be specified)					
(c) Current Tax Assets (Net)					
(d) Other current assets	4.06	78,77,071		78,92,199	
			<b>7,36,04,860</b>		<b>8,03,16,589</b>
<b>Total Assets</b>			<b>14,43,80,976</b>		<b>13,55,98,684</b>
<b>I. EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
(a) Equity Share capital	4.07	3,06,01,000		3,06,01,000	
(b) Other Equity	4.08	2,72,31,941		2,53,05,900	
			<b>5,78,32,941</b>		<b>5,59,06,900</b>
<b>LIABILITIES</b>					
<b>(1) Non-Current Liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	4.09	1,40,19,769		81,89,106	
(ii) Trade Payables					
(iii) Other financial liabilities (other than those specified in item (b), to be specified					
(b) Provisions					
(c) Deferred tax liabilities (Net)		14,50,391		14,37,865	
(d) Other non-current liabilities					
<b>(2) Current Liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings					
(ii) Trade payables	4.10	6,15,41,562		6,21,10,775	
(iii) Other financial liabilities (other than those specified in item (c)					
(b) Other current liabilities	4.11	93,09,038		-	
(c) Provisions	4.12	2,27,275		79,54,037	
(d) Current Tax Liabilities (Net)					
			<b>8,65,48,035</b>		<b>7,96,91,783</b>
<b>Total Equity and Liabilities</b>			<b>14,43,80,976</b>		<b>13,55,98,684</b>
Notes to Financial Statements					
Significant Accounting Policies	2				
As per our report of even date attached herewith.					
<b>For, S. D. Mehta &amp; Co.</b> Chartered Accountants FRN: 137193W <b>Sd/-</b> <b>Shaishav Mehta</b> Partner M.No. 032891			For and on behalf of the board of <b>Shangar Décor Limited</b>  <b>Sd/-</b> <b>Samir R Shah</b> Managing Director DIN:787630  <b>Sd/-</b> <b>Rinni Soni</b> Company Secretary		
			<b>Sd/-</b> <b>Saumil S Shah</b> Director DIN:1601299		
Place: Ahmedabad					
Date: 27th June, 2019					

**Shangar Décor Limited**

Statement of Profit and Loss for the year ended on 31st March, 2019

(In Rs.)

Particulars	Note no.	As at 31st March, 2019	As at 31st March, 2018
(I) Revenue from operations	4.13	6,21,87,602	7,59,31,095
(II) Other Income	4.14	31,134	8,49,738
<b>(III) Total Income (I+II)</b>		<b>6,22,18,736</b>	<b>7,67,80,833</b>
<b>(IV) EXPENSES</b>			
Cost of Materials Consumed		-	-
Purchase of Stock -in-Trade	4.15	3,12,80,266	4,06,75,236
Changes in Inventories of Finished goods, Work-in-Progress and by products	4.16	(5,09,890)	(24,57,180)
Employee Benefits Expense	4.17	49,09,947	62,49,453
Finance Costs	4.18	7,42,324	8,87,880
Depreciation and Amortization Expense		80,87,596	53,64,843
Other Expenses	4.19	1,51,18,926	2,38,51,665
<b>Total Expenses (IV)</b>		<b>5,96,29,169</b>	<b>7,45,71,897</b>
<b>(V) Profit / (Loss) Before Exceptional Items &amp; Tax ( III-IV)</b>		<b>25,89,567</b>	<b>22,08,936</b>
(VI) Exceptional Items		-	-
<b>(VII) Profit / (Loss) Before Tax ( V-VI)</b>		<b>25,89,567</b>	<b>22,08,936</b>
(VIII) Tax Expenses :			
(1) Current tax		6,51,000	3,33,927
(2) Deferred tax		12,526	-
(3) Income tax of earlier year		-	-
<b>(IX) Profit / (Loss) for the period from Continuing Operation (VII-VIII)</b>		<b>19,26,041</b>	<b>18,75,009</b>
(X) Profit / (Loss) from discontinued operations		-	-
(XI) Tax expense of discontinued operations		-	-
<b>(XII) Profit / (Loss) from discontinued operations (after tax) (X-XI)</b>		<b>-</b>	<b>-</b>
<b>(XIII) Profit / (Loss) for the period (IX+XII)</b>		<b>19,26,041</b>	<b>18,75,009</b>
(XIV) Other Comprehensive Income		-	-
Basic & Diluted (In Rs.)	4.20	0.63	0.61
Notes to Financial Statements			
Significant Accounting Policies	2		

As per our report of even date attached herewith.

For, S. D. Mehta & Co.  
Chartered Accountants  
FRN: 137193W

For and on behalf of the board of  
**Shangar Décor Limited**

Sd/-  
**Shaishav Mehta**  
Partner  
M.No. 032891

Sd/-  
**Samir R Shah**  
Managing Director  
DIN:787630

Sd/-  
**Saumil S Shah**  
Director  
DIN:1601299

Place: Ahmedabad  
Date: 27th June, 2019

Sd/-  
**Rinni Soni**  
Company Secretary



## Shangar Décor Limited

Cash flow statement for the year ended 31st March' 2019

(Amount in Rupees)

Particulars	For the year ended 31st March,2019		For the year ended 31st March,2018	
	Amount	Amount	Amount	Amount
<b>(A) Cash flow from operating activities</b>				
<b>(1) Net profit after tax and extraordinary items</b>		19,26,041		18,75,009
ADD:(I) Depreciation Written off	80,87,596		53,68,443	
(ii) Provision for income tax	6,51,000		3,33,927	
(iii) Preliminary Expense				
(iv) Loss from partnership firm				
(v) Deferred Revenue Expenses	12,526			
LESS: (i) Deferred tax Asset				
		87,51,122		57,02,370
<b>(2) Operating profit before working capital changes</b>		1,06,77,163		75,77,379
<b>Working capital changes</b>				
Add: (i) Decrease in Current Assets (Except Cash & Cash Equivalents)	1,12,99,587		54,26,247	
(ii) Increase in Current Liabilities	93,09,038		4,90,46,093	
Less: (i) Decrease in Current Liabilities	82,95,975		-	
(ii) Increase in Current assets (Except Cash & Cash Equivalents)	5,09,890	1,18,02,760	4,99,46,044	45,26,296
<b>(3) Cash generated from operating before tax</b>		2,24,79,923		1,21,03,675
Less: Income Tax Paid	6,51,000		-	
<b>(4) Cash flow before extraordinary items</b>		2,18,28,923		1,21,03,675
Add/ (less) extraordinary items				
<b>Net cash inflow / outflow from operating activities After tax &amp; extraordinary items</b>		<b>2,18,28,923</b>		<b>1,21,03,675</b>
<b>(B) Cash flow from investing activities</b>				
Add : Proceeds on account of changes in Investments			-	
Less : Purchase of Fixed assets & Investments	2,35,81,617		1,49,30,066	
<b>Net Cash inflow / outflow from investing activities</b>		<b>(2,35,81,617)</b>		<b>(1,49,30,066)</b>
<b>( C ) Cash flow from financing activities</b>				
Add : Changes in Long term Loans & Advances	58,30,663		24,72,520	
Proceeds of Share Capital				
Less : Advances given				
Less : Repayment of Loans				
<b>Net cash inflow / outflow from financing activities</b>		58,30,663		24,72,520
(D) net increase / decrease in cash & cash equivalent		40,77,969		(3,53,871)
(E) Add: Cash & Cash Equivalents in the beginning of the year		17,32,553		20,86,424
<b>(F) Cash &amp; Cash Equivalents at the end of the year</b>		<b>58,10,521</b>		<b>17,32,553</b>

For, **S. D. Mehta & Co.**  
Chartered Accountants  
FRN: 137193W

For and on behalf of the board of  
**SHANGAR DÉCOR LIMITED**

Sd/-  
**Shaishav Mehta**  
Partner  
M.No. 032891

Sd/-  
**Samir R Shah**  
Managing Director  
DIN:787630

Sd/-  
**Saumil S Shah**  
Director  
DIN:1601299

Place: Ahmedabad  
Date: 27th June, 2019

Sd/-  
**Rinni Soni**  
Company Secretary

## 1. Basis of preparation of financial statements

### (i) Statement of compliance and basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 (“the Companies Act”), as applicable and guidelines issued by the Securities and Exchange Board of India (“SEBI”). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial statements correspond to the classification provisions contained in Ind AS 1, “Presentation of Financial Statements”. For clarity, various items are aggregated in the statements of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable. All amounts included in the financial statements are reported in Indian rupees. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

### (ii) Basis of measurement

These financial statements have been prepared on a historical cost convention and on an accrual basis.

### (iii) Use of estimates and judgment

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

- (a) **Revenue recognition:** The Company uses the accrual method for income earned for sale of goods.
- (b) **Income taxes:** Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.
- (c) **Deferred taxes:** Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

## Significant accounting policies

### (i) Functional and presentation currency

These financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company.

### (ii) Financial instruments

#### *(a) Non-derivative financial instruments:*

Non derivative financial instruments consist of:

- Financial assets, which include cash and cash equivalents, trade receivables, employee and other advances, investments in equity and debt securities and eligible current and noncurrent assets;
- financial liabilities, which include long and short term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.

Non derivative financial instruments are recognized initially at fair value. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset. Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

#### A. Cash and cash equivalents

The Company's cash and cash equivalents consist of cash on hand and in banks.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks.

#### B. Investments

##### *Investments in equity instruments:*

The Company carries certain equity instruments which are not held for trading. The company has recorded its investment in equity instruments at its historical cost. As no reliable data was available with the company after reasonable efforts, the same has been recorded at its historical cost.

##### C. Other financial assets:

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. The company has not opted for measuring such assets at amortized cost as there is no fixed expectation of that asset being recovered in future.

These comprise trade receivables, unbilled revenues, cash and cash equivalents and other assets.

##### D. Trade and other payables

Trade and other payables are initially recognized at fair value. For these financial instruments, the carrying amounts approximate fair value due to the short term maturity of these instruments.

#### *(b) Derecognition of financial instruments*

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition. If the Company retains substantially all the risks and rewards of a transferred financial asset, the Company continues to recognise the financial asset and also recognizes a borrowing for the proceeds received. Certain financial instruments have been derecognized in event of non-holding of control over such asset and such assets were not reasonably expected to fetch any future cash inflows, and the same have been written off.

A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

### (iii) Equity

#### (a) Share capital and share premium

The authorized share capital of the Company as of March 31, 2019, is Rs. 7,00,00,000/- divided into 70,00,000 equity shares of Rs. 10 each and Paid up share capital of the company as of March 31, 2019 is Rs. 3,06,01,000/- divided into 30,60,100 equity shares. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as share premium. Every holder of the equity shares, as reflected in the records of the Company as of the date of the shareholder meeting shall have one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

#### (b) Retained earnings

Retained earnings comprises of the Company's undistributed earnings after taxes including earlier years' carried forward retained earnings.

### (iv) Property, plant and equipment

#### (a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

#### (b) Depreciation

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use. Assets acquired under finance lease and leasehold improvements are amortized over the shorter of estimated useful life of the asset or the related lease term. Term licenses are amortized over their respective contract term. Freehold land is not depreciated. The estimated useful life of assets are reviewed and where appropriate are adjusted, annually. The estimated useful lives of assets are as follows:

	Category	Useful life	
When parts plant and different accounted (major property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. The cost of property, plant and equipment not available for use as at each reporting date is disclosed under capital work- in-progress.	Buildings	28 to 40 years	of an item of property, equipment have useful lives, they are for as separate items components) of
	Plant and machinery	5 to 21 years	
	Computer equipment and software	2 to 7 years	
	Furniture, fixtures and equipment	3 to 10 years	
	Vehicles	4 to 5 years	

### (v) Impairment

#### (A) Financial assets

The Company applies the expected credit loss model for recognizing trade receivables and other financial assets. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate.

Loss allowances for trade receivables and lease receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument Lifetime expected credit loss is computed based on a provision matrix which takes in to the account historical credit loss experience adjusted for forward looking information.

**(vi) Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

**(vii) Revenue**

The Company derives revenue primarily from activities being mandap keeping, decoration contracts and turnkey projects in decoration segment.

*(a) Sales Income*

The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured.

*(b) Interest income*

In absence of certainty of cash inflows of such interests, the company has not adopted amortized income model to record such income. The same has been recorded on accrual basis at simple interest rate method.

*(c) Others*

- Revenues are shown net of Goods and Service Tax and applicable discounts and allowances.

**(viii) Finance cost**

Finance cost comprise interest cost on borrowings and gain or losses arising on re-measurement of financial assets at FVTPL. Borrowing costs that are not directly attributable to a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

**(ix) Income tax**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss.

*a. Current income tax*

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

*b. Deferred income tax*

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and foreign branches where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

**(x) Earnings per share**

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period.

**2. Notes on Transition to Ind AS**

These financial statements are prepared in accordance with Ind AS. For years up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Indian GAAP (i.e. Previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS for periods ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018.

**3. Other Information to the Financial Statement**

***a. Related Party Disclosures As Per Ind AS 24***

Names of related parties and description of relationship from/ to which following transactions were entered during the year:

*i. The related parties are :*

<b>Names of related parties</b>	<b>Nature of relationship</b>
Samir R. Shah	Director
Saumil Shah	Director
Moulin Shah	Relative of Director

*ii. The Company has the following related party transactions for the year ended March 31, 2019 and 2018:*

<b>Sr. No.</b>	<b>Transaction</b>	<b>Name of person / entity</b>	<b>Amount (Rs.)</b>	
			<b>2019</b>	<b>2018</b>
1	Salary	Samir R. Shah	6,27,600	24,00,000
2	Salary	Saumil Shah	9,39,600	10,40,000
3	Mandap Expense	Moulin Shah	18,66,150	-

The Company has the following balances outstanding as of March 31, 2019 and March 31, 2018

Balances at the year end	Name of individual / entity	Amount (In Rs.)	
		2019	2018
Payables	Samir R. Shah	83,34,974	33,25,614
Payables	Moulin Shah	16,37,611	-

Above payables are in nature of Expenses payable to the directors of the company.

**b. Dividend**

The board of directors, in its meeting held on 27<sup>th</sup> June, 2019, has proposed a final dividend of Rs. 0.05/- per equity share of face value of Rs. 10/- each for the financial year ended March 31,2019. The Proposal is subject to the final approval of shareholders in the Annual General Meeting to be held and if approved, would result in cash outflow of approximately Rs. 180000/- including Corporate Dividend Tax.

For, **S. D. Mehta & Co.**  
Chartered Accountants  
(Registration No. 137193W)

For and on behalf of the board  
**Shangar Décor Limited**

Sd/-

**Shaishav D. Mehta**  
Partner  
Membership No.: 032891

Place: Ahmedabad  
Date: 27<sup>th</sup> June, 2019

Sd/-

**Samir Shah**  
Managing Director  
DIN: 00787630

Place: Ahmedabad  
Date: 27<sup>th</sup> June, 2019

Sd/-

**Saumil Shah**  
Director  
DIN: 01601299

**Book Post**

**Shangar Decor Limited**

CIN: L36998GJ1995PLC028139

4, Sharad Flats, Opp-Dharnidhar Temple. Ahmedabad-380007

Phone: 07926634458

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Website: [www.shangardecor.com](http://www.shangardecor.com)