

**SHANGAR DÉCOR
LIMITED**

2013-14

**19th ANNUAL
REPORT**

Shub Samir Sr



Board of Directors:

Samirbhai Rasiklal Shah	Managing Director
Saumil Shrenikbhai Shah	Executive Director
AshokkumarAmratlal Shah	Independent Director
Chandrakant Joshi	Independent Director

Register Office:

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

Auditors:

Niral Parikh & Associates
Chartered Accountants
802, Abhijeet-III,
Opp. Mayor's Bungalow,
Nr. Law Garden,
Mithakhali, Ahmedabad-380006.

Banker:

The United Co-operative bank limited
Axiz Bank
Bank of baroda

Audit Committee:

AshokkumarAmratlal Shah	Chairman
SaumilShrenikbhai Shah	Member
Chandrakant Joshi	Member

Shareholder Grievance Committee:

SamirbhaiRasiklal Shah	Chairman
AshokkumarAmratlal Shah	Member
Chandrakant Joshi	Member

Listed on Stock Exchanges:

The Ahmedabad Stock Exchange Ltd



Annual General Meeting:

Date: 30/09/2014

Day: Tuesday

Time: 11.00 A.M

Venue: 4 Sharad Flats Opp-
Dharnidhartemple, Ahmedabad-380007

Contact Details:

Email: shangardecorltd@hotmail.com

Phone: 91-22-23016761/8261

Website: www.shangardecor.com



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GREEN INITIATIVE IN CORPORATE GOVERNANCE

DEAR SHAREHOLDERS,

Sub: MCA's Green Initiative for Paperless Communications

Ministry of Corporate Affairs ("MCA") has recently taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the companies. Towards this, MCA has issued Circulars dated 21 April 2011 and 29 April 2011 stating that the service of notice / document by a company to its shareholders can now be made through electronic mode, subject to a few conditions.

Our company appreciates the initiative taken by MCA, as it believes strongly in a Greener Environment. This initiative also helps in prompt receipt of communication, apart from helping avoid losses/delays in postal transit.

To support this green initiative of the Government, members who have not registered their e-mail addresses, so far, are requested to intimate their e-mail ID to the Company or send it through email at shangardecorltd@hotmail.com mentioning their name(s) and folio number or send the details at Company's Registered Office.



NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 19th ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON TUESDAY, THE 30TH SEPTEMBER, 2014 AT 4 SHARAD FLATS OPP-DHARNIDHAR TEMPLE AHMEDABAD-380007, GUJARAT AT 11.00 A.M TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Samirbhai Rasiklal Shah who retires by rotation and being eligible offers himself for re-appointment.
3. To re-appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

4. Appointment of Mr Ashokkumar Amratlal Shah as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), Clause 49 of the Listing Agreement and in pursuance of General Circular No. 14/2014 dated June 9, 2014, Mr Ashokkumar Amratlal Shah, (DIN:03387128), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th October, 2013 in terms of Section 161(1) of the Act and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160(1) of the Act from the member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for consecutive three years.



5. Appointment of Mr. Chandrakant Ramchandra Joshi as an Independent Director.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), Clause 49 of the Listing Agreement and in pursuance of General Circular No. 14/2014 dated June 9, 2014, Mr Chandrakant Ramchandra Joshi, (DIN: 06694293), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th October, 2013 in terms of Section 161(1) of the Act and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160(1) of the Act from the member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for consecutive three years.

For Shangar Decor Ltd

**Samir Shah
Managing Director**

Regd. Office:

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

Date: 14th August, 2014

Place: Ahmedabad



Notes:

1. Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a Member of the Company. Proxy form duly completed must be deposited at the registered office of the Company, not less than forty-eight hours before the commencement of the Annual General Meeting. Blank proxy form is enclosed. Proxy so appointed shall not have any right to speak at the meeting.
2. As required by clause 49 of Listing Agreement, a brief profile of Mr. Samirbhai Rasiklal Shah, a Director retiring by rotation and seeking re-appointment under item no. 2aforesaid in accordance with applicable provisions of the Companies Act, 2013 as well as those Directors who have been appointed since last Annual General Meeting are annexed.
3. The Register of Members and Share Transfer Books of the Company will remain closed from September 29, 2014 to September 30, 2014 (both days inclusive).
4. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
5. Members are requested to:-
 - (a) Note that copies of Annual Report will not be distributed at the Annual General Meeting.
 - (b) Deliver duly completed and signed Attendance Slip at the entrance of the meeting venue as entry to the Auditorium will be strictly on the basis of the Entry Slip available at the counters at the venue to be exchanged with the Attendance Slip.
 - (c) Quote their Folio in all correspondence.
 - (d) Note that no gifts/coupons will be distributed at the Annual General Meeting.
6. Members holding shares in multiple folios are requested to apply for consolidation to the Company or its Registrar & Share Transfer Agent along with relevant Share Certificates.
7. Members are requested to send all correspondence concerning registration of transfers, transmissions, subdivision, consolidation of shares or any other shares related matter and/or change in address and bank account, to company's Registered Office.
8. Members are requested to notify immediately any change in their addresses to the share department of the company at its registered office.



9. Members desirous of getting any information on any items of business of this Meeting are requested to address their queries to Compliance Officer of the Company at the registered office of the Company at least ten days prior to the date of the meeting, so that the information required can be made readily available at the meeting.
10. All documents referred to in the accompanying notice and Statutory Registers are open for inspection at the registered office of the Company on all working days (barring Saturday and Sunday) between 10.00 a.m. to 12.00 p.m. prior to the Annual General Meeting.
11. Members/proxies should bring their attendance slip, duly filled in to the meeting.

The entire Annual Report is also available on the Company's website www.shangardecor.com

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT / APPOINTMENT IN THE ENSUING ANNUAL GENERAL MEETING

Name of Director	SamirbhaiRasiklal Shah
Date of Birth	24/09/1954
Nationality	Indian
Expertise& Qualification	B.com, decoration and event management
Shareholding in Shangar Decor Limited	1174500
List of outside directorship	NIL

Item No. 4

Explanatory Statement pursuant to section 102 of the Companies Act, 2013

Mr. Ashokkumar Amratlal Shah, (DIN:03387128) was appointed by the Board as an Additional Director on the Board of your Company pursuant to section 161(1) of the Companies Act, 2013, His appointment became effective from 1st October, 2015. Mr. Ashokkumar Amratlal Shah, holds office upto the date of ensuing Annual General Meeting. A notice under section 160(1) of the Companies Act, 2013 has been received from a member along with the deposit proposing the candidature of Mr. Ashokkumar Amratlal Shah, as Director of the Company.

Mr. Ashokkumar Amratlal Shah, is graduate in commerce and has around 15years of experience in finance field and looks after finance need of company based on projects that company plans to execute



Your Directors feel that his joining the Board will be beneficial and in the interest of the company.

Mr. Ashokkumar Amratlal Shah, does not hold any shares of the Company as on date of this Notice.

Mr. Ashokkumar Amratlal Shah, director of Company, is concerned or interested in this resolution. None of the others directors are interested in the said resolution.

Item No. 5

Explanatory Statement pursuant to section 102 of the Companies Act, 2013

Mr. Chandrakant Ramchandra Joshi, (DIN: 06694293) was appointed by the Board as an Additional Director on the Board of your Company pursuant to section 161(1) of the Companies Act, 2013, her appointment became effective from 1st October, 2015. Mr. Chandrakant Ramchandra Joshi holds office upto the date of ensuing Annual General Meeting. A notice under section 160(1) of the Companies Act, 2013 has been received from a member along with the deposit proposing the candidature of Mr. Chandrakant Ramchandra Joshi as Director of the Company.

Mr. Chandrakant Ramchandra Joshi is a commerce graduate (63) worked with Air India from 1978 to 2010. During the long tenure of his services with Air India (Govt. of India Undertaking) he worked at Managerial positions in Finance & Accounts department, looking after Purchases, Commercial, Banking, Remuneration and Audit functions.

Mr. Chandrakant Ramchandra Joshi does not hold any shares of the Company as on date of this Notice.

Mr. Chandrakant Ramchandra Joshi, director of Company, is concerned or interested in this resolution. None of the others directors are interested in the said resolution.

Corp. Office:

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

For Shangar Decor Limited



**Samirbhai R. Shah
Director**

Date: 14th August, 2014

Place: Ahmedabad

Director's Report to the Shareholders

Dear Shareholders,

Your Directors present this 19th Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS:

Particulars	(inLacs)	
	Current Year 2013-2014 Rs.	Previous Year 2012-2013 Rs.
Turnover	377.34	542.90
Profit/(Loss) before Depreciation and Tax	51.33	69.26
Depreciation	61.63	65.20
Profit/(Loss) before Tax	-10.30	4.05
Provision for Tax & Deferred Asset/ Liab.	0	0
Profit After Tax	-10.30	10.27
Balance b/f from Previous Year	132.09	121.82
Balance Profit/(Loss) carried to Balance Sheet	121.79	132.09

OPERATIONS:

The turnover during the year has decreased from Rs. 542.90 lacs to Rs. 377.34 lacs. The company has planned course of action for achieving more improved margins by better control over fixed overheads and better resource management in the next year.

DIVIDEND:

In order to strengthen the financial position of the company in the current year, no dividend has been recommended for the financial year under consideration.

DEPOSITS:

During the Year the Company has not accepted any deposits from the public during the year under review.

ROTATION OF DIRECTOR:

In accordance with Section 152 and other applicable provisions of Companies Act, 2013, Mr. Samirbhai Rasiklal Shah (DIN: 00787630), Director of the Company, retires by rotation at this Annual General Meeting and being eligible offer himself for re-appointment.



RESIGNATION OF DIRECTORS:

As per the provisions of section 168 of the Companies Act, 2013 during the year the following One Directors had resigned from the Company:

Parulben Samir Shah- Resigned w.e.f 14th October, 2013

AUDITORS:

The auditor of the Company, M/s. Niral Parikh & Associates, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and proposes appointment as Statutory Auditor of the Company pursuant to the provisions of Section 139 & other applicable provisions of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 from the conclusion of the ensuing Annual General Meeting till the conclusion of the Next Annual General Meeting and to fix their Remuneration.

PARTICULARS OF EMPLOYEES:

The Company has no employee for which the particulars as envisaged U/s. 217(2A) is Required to Be Given.

DIRECTORS' RESPONSIBILITY STATEMENT:

The directors declare and confirm:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure.
- b) That the directors have selected such accounting policies & applied them consistently & made judgment & estimates that are reasonable & prudent so as to give a true & fair view of the state of affairs of the company at the end of the financial year & of the Profit of the company for the year **31st March, 2014**.
- c) That the directors have taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company & for preventing & detecting fraud & other irregularities.
- d) That the directors have prepared the annual accounts for the financial year ended **31st March, 2014** on a going concern basis.

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.



CORPORATE GOVERNANCE REPORT:

The Company has implemented all the provisions of the Corporate Governance as stipulated by Clause 49 of the listing agreements with all the stock exchanges where the Company's securities are listed.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT GO

This clause is not applicable to the company.

ACKNOWLEDGEMENTS

We convey our heartfelt thanks to all our shareholders for their continued trust and confidence in the Management of the company. Our gratitude is due to our colleagues on the Board for their valuable guidance and support. We take this opportunity to convey sincere thanks to our customers, bankers, depositors and all the shareholders for the cooperation and assistance extended to the company and look forward to their continued support. We also convey our heartfelt appreciation for the dedication and contribution of the employees of the Company at all levels.

Regd. Office:

4 Sharad Flats Opp- Dharnidhartemple,
Ahmedabad- 380007.

For Shangar Decor Limited

**Samirbhai R. Shah
Director**

Date: 14th August 2014

Place: Ahmedabad



MANAGEMENT DISCUSSION & ANALYSIS REPORT

Global Economic Conditions:

The global economy developed by 3% in CY 2013-14, supported by encouraging performance of the US economy as per the World Economic Outlook (WEO) Report published by the International Monetary Fund (IMF) published in the month of April 2014. However, global growth was weighed down by modest growth in the Euro Zone, Japan and Emerging Market and Developing Economies.

Now the scenario is changing, with the advanced world, led by the US, contributing around 20% of global economic growth. China's growth is expected to be around 7.5% in 2014, as the political leadership is ensuring a gradual transition to a more sustainable growth path. Such a situation will surface the way for a period of more balanced global growth.

Above and beyond, in India public has resoundingly voted for political stability and better governance, the country's economy is also likely to pick up pace and contribute significantly towards global recovery.

Indian Economy Position in 2013-14:

During Financial Year 2013-14, the economy grew 4.7%, against 4.9% as estimated, pulled down by manufacturing, mining, construction and logistics. The performance for 2013-14 is better than the 4.5% growth for 2012-13. It is still a far cry from the above 8% growths witnessed during some part of years 2004 to 2011. The recovery in 2013-14 is largely on the back of revival in agriculture growth due to a steady monsoon. However, recovery in the other areas of the economy appears to be feeble with no clear signs of recovery. Industry continued to be in the midst of a slowdown.

The first half of the year also saw the Rupee in a free fall under pressure from the worsening deficits, current account deficit as well as the fiscal deficit. Coupled with fears of large fund outflows due to the expected Fed tapering, the Rupee breached the 68 level to the US Dollar in August, 2013. A slew of measures taken by RBI and the Central Government saw the current account situation improving significantly which helped the Rupee to recover from its all time lows during the later part of the year. The elevated levels of inflation since 2010- 11 continued to be a cause of concern for the economy and although the inflation levels eased off over the last quarter of the year, the stickiness in inflation did not provide much room for RBI to lower the interest rates and prime pump the economy.



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:

Company has good brand image and quality product in the Indian. Company continues to expand its marketing networks, by appointing Consignment Agent, branches, distributors, dealers etc. in various states in all over the country.

The population in India has the maximum youngest persons. The mixture of newness and economic productivity is result into investments in interior as well as exterior decoration. These persons believe in better lifestyle. Further, average per head income is also increased which will help to improve the lifestyle of a person.

There is a flow of persons from rural area to mega, metro or big cities in India. It changes the lifestyle of persons. With the increasing pace of urbanization in the country, it may generate more demand for Decoration Services and will result into increase in demand of associated products.

Threats:

- Competition from both unorganized and other organized players, leading to difficulties in improving market share.
- More and more new organized players are entering into market which will increase competition in organized sector also.
- Increase in taxation and strict regulatory norms regarding concerns over the environment.
- Now, the bargaining power of customers is increased.
- Threat of substitute products move toward market.

We are well equipped to take benefit of whatever opportunities on hand and also to contest the threats.



Segment-Wise Financial Performance:

Decorative, commercial and other Laminate products division is acting very soundly. The company is also focusing to capture rural market along with urban market. Turnover of the company reduce from 542.90 lacs to 377.34 lacs as compared to previous financial year. The company has 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 2014-15 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 technology and plants, valuable brands, 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 :

The Company has an adequate system of Internal Controls aimed at achieving efficiency in operations, optimum utilization of resources and compliance with all applicable laws and regulations. Company has internal control Department which is looking all the financial, operational and other related transaction. Company also has the control systems at manufacturing plants. The products manufactured by Company are regularly tested for chemical properties before it is approved for dispatch. The Internal control system in the Company is commensurate with the size and nature of business of the Company. The Board of Directors verifying its adequacy, effectiveness and application at regular intervals.

Material Developments in Human Resources / Industrial Relations:

The Company 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 maintains absolute synchronization with its people. The Company has been maintaining cordial and healthy Industrial Relations, which has helped to a great extent in achieving the upper growth.



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.

Corp. Office:

4 Sharad Flats Opp- Dharnidhartemple,
Ahmedabad- 380007.

For Shangar Decor Limited



Samirbhai R. Shah
(Managing Director)

Saumil S. Shah
(Director)

CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

1. Company's Philosophy On Code Of Corporate Governance:

Corporate Governance is all about the Transparency, trust and relationship. Corporate Governance is all about to maintain good relationship with stakeholders, creation and maintenance of trust with persons connected with group be it shareholders, regulators, employees, suppliers, customers, bankers and the society at large. As a good governance our best practice always remain to attain fair, ethical and transparent governance practices by adopting highest standards of professionalism, honesty, integrity and ethical behaviour with stakeholders. The Company has a strong legacy or open-minded, crystal clear and ethical governance practices. In accordance with Clause 49 of the Listing Agreement the report containing the details of corporate governance systems of **Shangar Décor Limited** is providing hereunder.

2. Board of Directors:

(A) Composition

The composition of Board of Directors of the company is in conformity with the requirements of clause 49 of the Listing Agreement. The Board of Directors of the company has an optimum combination of Executive and Non-Executive Independent Directors to maintain the independence of the Board. The Board further consist of learned and experienced members. The composition: The Board Consist of Four Members out of which two are independent Directors, Two Non-Executive Directors including Chairman.

Non-Executive directors' compensation and disclosures:

Except sitting fees within the limits prescribed under the Companies Act, 2013 no other compensation/fees has been paid to non-executive directors



Shangar Décor Limited 2013-14

Directors' attendance at the board meetings during the year and also at the last annual general meeting, numbers of directorships in other companies and membership/ chairmanship in other committees etc. are as follows:

Name and Designation	Board Meeting Held during the tenure	Board Meeting Attended	No. of other Directorships 31.03.14	No. of other Memberships In Committee As Member	No. of other Memberships In Committee As Chairman	Last AGM Attendance
Samirbhai Rasiklal Shah (Chairman & Exe Director)	4	4	Nil	Nil	1	Present
Saumil Shrenikbhai Shah (Non-executive Director)	4	4	Nil	1	Nil	Present
Ashokkumar Amratlal Shah (Independent Director)	2	2	Nil	1	1	Present
Chandrakant Joshi (Independent Director)	2	2	3	2	Nil	-

(B) Number of Board Meetings held with dates:

During the year ended March 31, 2014, Four Board Meetings were held:

- > 15th May, 2013
- > 19th August, 2013
- > 22th November, 2013
- > 20th February, 2014

The time gap between any two meeting did not exceed four months. The compliance report in respect of laws applicable to the company has been periodically reviewed by the board of director of company.

- None of the director is a member of more than 10 committees or act as chairman of more than five committees.
- No independent director is resigned or removed from the board during the period under review.

(C) Board Functions & Procedure



Detailed Agenda Notes with necessary information were circulated in advance to the Board during the year, all the relevant information as mentioned in Clause 49 of the Listing Agreement was placed before the Board for its consideration. The Board plays pivotal role in insuring good governance, therefore it is always policy of the company that the Board Members are free to give any suggestions to enhance capability of the company and effective good governance. The major information regularly supplied to Board includes:

- ✓ Annual plans, budgets and any updates therein.
- ✓ Capital budgets and any updates therein.
- ✓ Quarterly results for the Company
- ✓ Minutes of meetings of Audit Committee and other Committees of the board.
- ✓ Material show cause, demand, prosecution notices and penalty notices, if any.
- ✓ Fatal or serious accidents, dangerous occurrences, if any.
- ✓ Any material default in financial obligations
- ✓ Any significant development in human resources.
- ✓ Sale of material, nature of investments, subsidiaries, assets which are not in the normal course of business.

Directors with materially significant related party transactions, pecuniary or business relationship with the Company

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors that may have potential conflict with the interests of the Company at large.

CODE OF CONDUCT

In accordance with the amended clause 49 of the Listing Agreement, the company has adopted a code of conduct for his directors and senior executives. The details code of conduct is available at company's website at www.rcasl.com

COMMITTEES OF THE BOARD

In accordance with the Listing Agreement of the stock exchanges on Corporate Governance, the following committees, comprising highly experienced and professional board members, were in operation:

1. Audit Committee
2. Share Transfer / Investor Grievances Committee

3. AUDIT COMMITTEE

The role and terms of reference of Audit Committee is in line with the requirements of section 292 A of Companies Act, 1956 and Section 177 of the Companies Act, 2013 as well as Clause 49 of the Listing Agreement

Preliminary responsibility of audit committee:

- Oversight of the Company's financial reporting process.
- Auditing and accounting matters, including recommending the appointment of our independent auditors to the shareholders.



- Compliance with legal and statutory requirements
- Integrity of Company's financial statements, discussing with the independent auditors the scope of the annual audits, and fees to be paid to the independent auditors.
- Performance of Company's Internal Audit function, Independent Auditors and accounting practices.
- Review of related party transactions, functioning of Whistle Blower Mechanism
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and / or other Committee(s) of Directors of the company.

The terms of reference of the Audit Committee includes the following:

- To seek information from any employee.
- To obtain legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it is considered necessary.
- Oversight of the company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and creditable.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statement before submission to the Board, focusing primarily on: - Any change in accounting policy and practices, Qualification in draft audit report.
- Significant adjustment arising out of audit.
- Compliance with accounting standard.
- Compliance with Stock Exchange and Legal requirement concerning financial statement.
- Any related party transaction i.e. transaction of the Company of material nature, with promoters or the management, their subsidiary or relatives etc. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms Clause 2AA of Section 217 of the Companies Act, 1956 and of section 134 (5) of the Companies Act, 2013
- Reviewing with management, external and internal auditor, the adequacy of internal control system and suggestion for implementation for the same.
- Reviewing the adequacy of internal audit function including the structure of internal audit department,
- Staffing and seniority of the officials heading the departments, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditor and significant finding and follow up thereon.

As on March 31, 2014, the Audit Committee comprised of the following members:



Audit Committee:

AshokkumarAmratlal Shah	Chairman
SaumilShrenikbhai Shah	Member
Chandrakant Joshi	Member

During the financial year 2013-14 Four (2 meetings of the Audit Committee were held)

- > 22nd October, 2013
- > 20th February, 2014

The details of the meetings attended by members during the year 2013-14 are as follows:

Name of Member	Designation	No. of Meeting held during tenure	No. of meeting attended
AshokkumarAmratlal Shah	Chairman	2	2
SaumilShrenikbhai Shah	Member	2	2
Chandrakant Joshi	Member	2	2

4. SHARE HOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Shareholders'/Investors' Grievance Committee, inter alia, oversees and reviews all matters connected with the investor services in connection with applications received and shares allotted in the Initial Public Offer, status of refund account, conversion of partly paid shares into fully paid shares, Issue of Split/ Consolidated shares and transfer of shares of the Company.

The Committee recommends measures for overall improvement in the quality of investor services. The Board has delegated the power of approving transfer of securities to the officers of the Company.

During the financial year 2013-14; Four (2) meetings were held:

- > 22nd October, 2013
- > 20th February, 2014

As on March 31, 2014, the Shareholders'/ Investors' Grievance Committee comprised of the following members:

Shareholder Grievance Committee:

SamirbhaiRasiklal Shah	Chairman
AshokkumarAmratlal Shah	Member
Chandrakant Joshi	Member



Name of Member	Designation	No. of Meeting held during tenure	No. of meeting attended
SamirbhaiRasiklal Shah	Chairman	2	2
AshokkumarAmratlal Shah	Member	2	2
Chandrakant Joshi	Member	2	2

Complaints from Investors

No. of complaints pending at the beginning of the year:	Nil
No. of complaints received during the year ended 31.03.2014	Nil
No. of complaints received for Refund during the year	Nil
No. of complaints received from Stock Exchanges during the year	Nil
No. of complaints received from SEBI during the year	Nil
No. of complaints resolved / replied during the year	Nil
No. of Investors complaints pending at the ending of the year 31.03.2014:	Nil

5. REMUNERATION COMMITTEE

The Board of Directors did not constituted Remuneration Committee as there is no Executive Director on the Board.

6. GENERAL BODY MEETINGS

Annual General Meeting for the year 2013-14 is scheduled on Tuesday, 30th September, 2014, 11.00 A.M. The meeting will be conducted at the Registered Office of the company at 4 Sharad Flats Opp- Dharnidhar temple, Ahmedabad- 380007 Gujarat.

For those of you, who cannot make it to the meeting, please remember that you can appoint a proxy to represent you in a meeting. For this you need to fill in a proxy form enclosed with the notice for the meeting and send it to us. The last date for receipt of proxy forms by us is September 28, 2014 before 11.00 A.M.

Annual General Meeting for Last Three Years:

16 th Annual Meeting	General	29 th September, 2011 At 11.00 A.M.	4 Sharad Flats Opp- Dharnidhartemple, Ahmedabad- 380007.
17 th Annual Meeting	General	28 th September, 2012 At 11.00 A.M.	4 Sharad Flats Opp- Dharnidhartemple, Ahmedabad- 380007.
18 th Annual Meeting	General	30 th September, 2013 At 11.00 A.M.	4 Sharad Flats Opp- Dharnidhartemple, Ahmedabad- 380007.

- > No special resolution was proposed at the aforesaid annual general meetings.
- > No Extra ordinary General Meeting was held during the year under review.
- > No Postal Ballot was conducted during the year 2013-14.



Subsidiary Companies

The company does not have any subsidiary company.

7. DISCLOSURES

The Company has fully complied with all the mandatory requirements prescribed under Clause 49 of the Listing Agreement and has adopted all suggested items to be included in the Report on Corporate Governance.

Related Party Transaction

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

Management Discussion and Analysis

The detailed report on Management Discussion & Analysis is given separately in the Annual Report.

Details of Penalties & Compliances

During the last three years, there were no strictures or penalties imposed on the company either by SEBI, Stock Exchanges or any other authorities related to capital market.

Whistle Blower Policy

The Company at present does not have a Whistle Blower Policy. However, all the employees of the Company have free access to meet senior level Management personnel and report on any points of concern. The Company is in the process of evaluating ways and means for implementation of the other non-mandatory requirements as per Annexure ID of the Clause 49 of the Listing Agreement over a period of time.

Risk Management

The company has laid down the procedures to inform the Board about the risk assessment and minimization. The Board of Directors of the company periodically reviews these procedures to ensure that risks are managed through a properly defined framework.

Disclosure of accounting treatment

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and Companies (Accounting Standards) Rules, 2006 to the extent applicable.

8. MEANS OF COMMUNICATION

In compliance with the requirements of Listing Agreement, the Company regularly intimates un-audited as well as audited financial results to the Stock Exchanges. Company also displayed quarterly results on the website of the Company.



9. GENERAL SHAREHOLDERS INFORMATION

i. Annual General Meeting

- Date & Time: Tuesday, 30th September, 2014 at 11.00 a.m.
- Venue: 4 Sharad Flats Opp-Dharnidhar temple, Ahmedabad - 380007, Gujarat
- Financial Year: 1st April, 2013 to 31st March, 2014

ii. Financial Calendar (Tentative)

- Result for the qtr. ending June 30, 2014: Within 45 days from the end of Quarter
- Result for the qtr. ending Sept 30, 2014: Within 45 days from the end of Quarter
- Result for the qtr. ending Dec 31, 2014: Within 45 days from the end of Quarter
- Result for the qtr. ending Mar 31, 2015: Within 60 days from the end of Quarter

iii. Book Closure date :

29th September, 2014 to 30th September, 2014(both days inclusive)

iv. Dividend :

No dividend being recommended by the Board during the year.

v. Listing of Equity Shares in Stock Exchanges :

The Ahmedabad Stock Exchange Ltd

vi. Market Price Data: High, Low during each month in last financial year.

There were no trading took place in the stock exchange during the year under review.

vii. Performance in comparison to broad-based

As there is no trading; no comparison with exchange Vis a Vis stock is possible.

viii. Registrar and Transfer Agents :Inhouse

ix. Share Transfer System

All the valid transfers are registered and duly transferred and share certificates duly dispatch within 15 days from the date of receipt of transfer.



Shareholding Pattern (as at March 31, 2014)		
Category	Number of Shares	Percent
Promoters	1999700	65.35
Public	1060400	34.65
TOTAL	3060100	100

- x. Dematerialization of shares and liquidity
Company is planning to Appoint Share Transfer Agent shortly, the Company is also now looking for signing of tripartite agreement with CDSL and NSDL shortly.
- xi. outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity
There is no outstanding GDRs/ADRs/Warrants or any convertible instruments, which likely impact on equity.
- xii. Plant Locations
The Company is engaged in Trading of Shares and Securities and therefor does not have any plant.
- xiii. Address for correspondence

4 Sharad Flats Opp- Dharnidhar temple Ahmedabad-380007

Exclusive E-mail Id for redressal of investor's complaints in terms of Clause 47(f) of the Listing Agreement please uses the following email for redressal of Investors Complaints.

E-mail ID: shangardecorltd@hotmail.com

Website: www.shangardecor.com

Regd. Office:

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

For Shangar Decor Limited



Samirbhai R. Shah.
Managing Director

Date: 14th August, 2014

Place: Ahmedabad

Code of Conduct and CEO/CFO Certification

In accordance with the amended clause 49 of the Listing Agreement, the company has adopted a code of conduct for his directors and senior executives. The details code of conduct is available at company's website at: www.shangardecor.com

Declaration as required under clause 49 of listing agreement:

All Board members and senior management personnel affirm compliance with the code of conduct for the year 2013-14.

SD/-

Samirbhai Rasiklal Shah
(Whole Time Director)

The code has been circulated to all members of the Board and senior management and the compliance of the same has been affirmed by them.

Certificate By Chief Executive Officer (CEO)

I Samirbhai Rasiklal Shah, Managing Director of Shangar Decor Limited to the best of our knowledge and belief hereby certify that:

- (a) I have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2014 and that to the best of our knowledge and belief;
 - These statements do not contain any materially untrue statement or omit any material fact nor contain statements that might be misleading, and
 - These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violate the company's code of conduct;
- (c) I accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and audit committee, deficiencies in the design or operation on internal controls, if any, of which we are aware and the



steps that we have taken or propose to take to rectify the identified deficiencies and

(d) I have informed the auditors and the audit committee that :

- a. There has not been any significant changes in internal control over financial reporting during the year under reference;
- b. There has not been any significant changes in accounting policies during the year requiring disclosed in the notes to the financial statements; and
- c. There has not been any instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Ahmedabad
Date: 14th August, 2014



SD/-

Samirbhai Rasiklal Shah
(Whole Time Director)

INDEPENDENT AUDITORS' REPORT

**To,
THE MEMBERS
SHANGAR DECOR LIMITED**

Report on the financial statements

We have audited the accompanying financial statements of SHANGAR DECOR LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

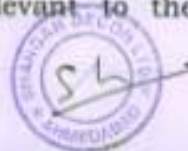
Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order to the extent applicable to the Company.

2) As required by section 227(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 [and proper returns adequate for the purposes of our audit have been received from branches not visited by us]
- c) the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account [and with the returns received from branches not visited by us]
- d) in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the



Companies Act, 1956; read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013.

- e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 and Section 164(2) of Companies Act, 2013.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Niral Parikh & Associates
Chartered Accountants

Place: Ahmedabad
Date: 14th August, 2014



Niral L. Parikh
Proprietor
Membership No: 144951
Firm Reg. No.: 134321W

THE ANNEXURE REFERRED TO IN THE AUDITOR'S REPORT TO THE SHAREHOLDERS OF SHANGAR DECOR LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

- i.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As informed to us by the management Fixed Assets have been physically verified by them during the year. On the basis of explanations provided to us and on the basis of the record provided to us we opine that the procedure of physical verification of fixed assets is reasonable having regard to the size of the company and the nature of its assets. As informed to us and on the basis of records provided to us we found that no material discrepancies were noticed on such verification.
 - c) During the year, Company has not disposed of any substantial/major part of fixed assets.
- ii.
 - a) As explained to us, the inventory has been physically verified by management during the current year. In our opinion, the frequency of such verification is reasonable.
 - b) In our opinion and as per information and explanations given to us, the procedures for the physical verification of inventory followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) As per the information and explanation given to us and on the basis of documents provided to us, we opine that the company has maintained proper records of inventory. No material discrepancies were noticed on physical verification of inventory and no material discrepancies were noticed during the year.
- iii.
 - a) Other than the unsecured loans received by way of deposits from the Directors and members, no other loan unsecured have been taken by the company from the firms or other parties listed in the register maintained under section 301 of the Companies Act 1956 or from the company under the same management as defined under section (1B) of section 370 of the Companies Act, 1956
 - b) The Company has not granted any loan, secured or unsecured to the firms or other parties listed in the register maintained under section 301 of the Companies Act 1956 or from the company under the same management as defined under section (1B) of section 370 of the Companies Act, 1956



- iv. In our opinion, and according to the information and explanations given to us, and considering the size of the company, the internal control procedure for the purchase of inventory and fixed assets and for the sale of goods are adequate. There is no continuing failure in internal control which needs to be corrected.
- v.
- a) In our opinion, and as per information and explanations given to us, transactions that need to be entered into a register in pursuance of section 301 of the Act, have been so entered;
- b) Whenever the transaction are for more than rupees five lacs in value the same are entered at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and as per information and explanations given to us, the company has not accepted any deposits under section 58A and 58AA, the compliance of the rules for the same are not applicable.
- vii. The internal audit system of the Company is commensurate to the size and the nature of its business.
- viii. The maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Act.
- ix.
- a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Investor Education and Protection Fund, Income Tax, Sales Tax, VAT, Wealth Tax, service tax, Custom Duty, Excise Duty, Cess and any other dues with the appropriate authorities.
- b) According to the information and explanations given to us, the company has no disputed dues of Sales Tax, Income Tax, Custom duty, Wealth Tax, Service Tax, VAT, Excise duty, Cess as on the balance sheet date.
- x. The Company does not have any accumulated losses exceeding fifty percent of its net worth at the end of the year and the Company has not incurred cash losses during the current and the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or Debenture holders.
- xii. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



- xiii. The Company is not a chit fund / nidhi / mutual benefit fund / societies. Hence, the provisions of sub clauses (a), (b), (c) and (d) are not applicable.
- xiv. Based on the records examined by us and According to the information and explanations given, the company is not deals in shares, bonds, debentures, securities, sothe questions of maintaining proper records and timely entries in the books of accounts does not arise.
- xv. The Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
- xvi. The Company has not obtained any term loan, so this clause is not applicable.
- xvii. According to the Cash Flow Statement and records examined by us and according to the information and explanation given to us and on an overall basis, funds raised on short-term basis have, prima facie, not been used during the year for long term investment and vice versa.
- xviii. The company has not made any preferential allotment of shares to parties & companies covered in the Register maintained under Section 301 of the Companies Act, 1956, during the year so the clause is not applicable to the company.
- xix. The Company has not issued debentures during the year so the clause is not applicable to the company.
- xx. The Company has not raised any money by public issues during the year so the clause is not applicable to the Company.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Niral Parikh & Associates
Chartered Accountants

Place: Ahmedabad

Date: 14th August, 2014



Niral L. Parikh
Proprietor
Membership No: 144951
Firm Reg. No.: 134321W

Balance Sheet

Particulars	Note No	in Rs.	
		As at 31st March, 2014	As at 31st March, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	30601000	30601000
(b) Reserves and Surplus	2	21881195	22911418
(c) Money received against share warrants		-	-
(2) Share application money pending allotment (To the extent not refundable)		-	-
(3) Non-Current Liabilities			
(a) Long term borrowings	3	11,906,994	9,818,010
(b) Deferred tax liabilities (Net)		1,222,227	1,222,227
(c) Other Long term liabilities		-	-
(d) Long-term Provisions		-	-
(4) Current Liabilities			
(a) Short term borrowings	4	-	-
(b) Trade payables		10,180,210	12,160,507
(c) Other current liabilities		-	-
(d) Short-term provisions		4,565,385	8,030,710
Total		80,357,011	84,743,872
II.Assets			
(1) Non-current assets			
(a) Fixed assets	5		
(i) Tangible assets		37,570,739	38,961,158
(ii) Intangible assets		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	6	-	-
(e) Other Non Current Assets	7	-	-
(2) Current assets			
(a) Current investment	8	4,858,500	4,858,500
(b) Inventories	9	3,190,800	2,440,250
(c) Trade receivable	10	21,888,972	16,165,008
(d) Cash and Cash Equivalents	11	1,585,888	842,175
(e) Short-term loans and advances	12	10,695,537	20,521,638
(f) Other current assets	13	566,575	955,143
Total		80,357,011	84,743,872



For Niral Parikh & Associates

On Behalf of the Board of Directors

Chartered Accountants Shangar Décor Limited

Niral L. Parikh

Proprietor

Membership no.:144951

FRN: 134321W

Place: Ahmedabad

Date : 02/09/2014

Samirbhai R. Shah
Director

Saumil S. Shah
Director



Statement of Profit and Loss for the year ended on March 31, 2014

Particulars	Note No.	(In Rupees)	
		Year ended 31-03-2014	Year ended 31-03-2013
I. Revenue from operation:	14		
Sale Of Products		37,734,803	54,290,988
Sale Of Services		-	-
Other Operating Revenues		-	-
Less: Excise Duty		-	-
Increase in Inventory	15	750,550	(6,005,250)
II. Other Income	16	14,500	-
III. Total Revenue (I + II)		38,499,853	48,285,738
IV. Expenses:			
Cost of Material Consumed	17	-	-
Purchase of Stock in Trade		8,407,474	15,690,870
Employee benefit expense	18	5,089,645	8,764,953
Finance Costs	19	2,025,136	1,536,299
Depreciation and Amortization Expense	20	6,163,282	6,520,365
Other Expense	21	17,844,539	15,367,507
Total expenses		39,530,076	47,879,994
V. Profit before extraordinary items and tax (III-IV)		(1,030,223)	405,744
VI. Exceptional Items		-	-
Profit before extraordinary items and tax (V-VI)		(1,030,223)	405,744
VIII. Extraordinary Items		-	-
IX. Profit before tax (VI-VII)		(1,030,223)	405,744
X. Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax		-	(621,525)
(3) Prior Period Adjustments		-	-
Profit/(loss) for the period from continuing operations (IX-X)		(1,030,223)	1,027,269
XII. Profit/(loss) from discontinued operations		-	-
XIII. Tax expense of discontinued operations		-	-
Profit/(loss) from discontinued operations (XII-XIII)		-	-
XV. Profit/(Loss) for the period (XI+XIV)		(1,030,223)	1,027,269
XVI. Earning per Equity Share			
(a) Basic		(0.34)	0.34
(b) Diluted		(0.34)	0.34
Significant Accounting Policies And Notes To Accounts			



**For Niral Parikh & Associates
Chartered Accountants**

On behalf of the Board of Directors
For Shangar Decor Limited

Niral L. Parikh
Proprietor
Membership no.: 144951
FRN: 134321W
Place: Ahmedabad
Date : 14th August, 2014



**Samirbhai R.
Shah
Director**

**Saumil S.
Shah
Director**

Schedules Forming Part of Balance Sheet

NOTE:1

SHARE CAPITAL	As at 31-03-2014		As at 31-03-2013	
	No. of	Value	No. of	Value
	Shares	Rupees	Shares	Rupees
Equity Share Capital				
Authorised :				
70,00,000 Equity shares of Rs. 10/- each	70,00,000	70,000,000	70,00,000	70,000,000
Issued, Subscribed and Paid-up :				
30,60,100 Equity shares of Rs. 10/- each Fully paid up	30,60,100	30,601,000	30,60,100	30,601,000
Total		30601000		30601000
Reconciliation of shares:	Nos	Amt(Rs)	Nos	Amt (Rs)
Opening Share Capital	3,060,100	30,601,000	3,060,100	30,601,000
Add: Shares issued During the Year	-	-	-	-
Add: Right/Bonus Shares issued	-	-	-	-
Total	3,060,100	30,601,000	3,060,100	30,601,000
Less: Buy back of Shares	-	-	-	-
Less: Reduction in Capital	-	-	-	-
Closing Share Capital	3,060,100	30,601,000	3,060,100	30,601,000
List of Shareholders having 5% or more Shares (In Nos.)				
Name of Shareholders	In Nos	In %	In Nos	In %
Samir Shah	1,174,500	38.38	1,174,500	38.38
Vishnu Gupta	Nil	Nil	233,300	7.62
SaumilShrenikbhai	300,000	9.80	300,000	9.80
Vipulbhai Shah	300,000	9.80	300,000	9.80
Parulben samirbhai shah	206,300	6.74	206,300	6.74



Note : 2

RESERVES AND SURPLUS	Current Year	Previous Year
Capital Reserve		
Opening Balance	-	-
Forfeiture A/c.	970,1700	970,1700
Add: Transfer from profit and loss Account	-	-
Less: Appropriations	-	-
Closing Balance	-	-
Profit and Loss Account		
Opening Balance	13,209,718	12,182,449
Add: Profit During The Year	(1,030,223)	1,027,269
Less: Proposed Dividend (Inc. Tax)	-	-
(Disclose Amt of Dividend Per Share)	-	-
Transfer to Reserves	-	-
Bonus Shares	-	-
Closing Balance	21881195	22911418
Share Premium	-	-
Total	21881195	22911418

NOTE:3

Non-Current Liabilities	As at 31.03.2014	As at 31.03.2013
(A) Long term Borrowings		
Term Loan (Secured Against Stock & Co's Assets)	10,837,994	5,316,956
Unsecured Loans	850,000	3,194,000
Loan From Directors	219,000	-
Bank Od	-	1307054
Others	-	-
	11,906,994	9,818,010
(B) Deferred Tax Liabilities(Net)		
Deferred Tax Liabilities	1,222,227	1,222,227
	1,222,227	1,222,227

NOTE:4

Current Liabilities	As at 31.03.2014	As at 31.03.2013
(A) Short term Borrowing		
Unsecured	-	-
Deposits from Dealer	-	-
Other Loans and Advances	-	-
(B) Trade Payables		



Shangar Décor Limited 2013-14

For Goods/Services/ Expenses	10,180,210	11,883,507
For Statutory Dues	-	-
For Advance From Customers	-	277,000
	10,180,210	12,160,507
(C)Short Term Provision		
Other Provisions	-	-
Provision for Taxation	4,565,385	8,030,710
Total	4,565,385	8,030,710

NOTE:6

Non Current Assets		
Long Term Loans And Advance		
Security Deposits	-	-
Loans and Advances	-	-

NOTE:7

Other Non Current Assets	Year ended 31-03-2014	Year ended 31-03-2013
Preliminary & Pre- Operative Exp.	-	-
	-	-

NOTE:8

Current Assets	-	-
(A)Non Current Investments	4,858,500	4,858,500
Long Term Investment In Equity Shares-Unquoted, fully paid up		
	4,858,500	4,858,500

NOTE:9

(B)Inventories	Year ended 31-03-2014	Year ended 31-03-2013
Closing Stock	3,190,800	2,440,250
	3,190,800	2,440,250

NOTE: 10

(C)Trade Receivables	Year ended 31-03-2014	Year ended 31-03-2013
Debtors	21,888,972	16,165,008
Less: Provisions For Doubtful Debts		
	21,888,972	16,165,008



Shangar Décor Limited 2013-14

NOTE:11

(D)Cash and Bank Balances	As at 31.03.2014	As at 31.03.2013
Cash on hand	1,566,528	327,487
Balance with Bank		
- In Current Accounts	19,360	514,688
- In Fixed Deposit Accounts	-	-
Total	1,585,888	842,175

NOTE:12

(E)Short Term Loans & Advances	31.03.2014	31.03.2013
Loans and Advance	9,754,537	18,830,638
Deposits	9,41,000	1,691,000
Total	10,695,537	20,521,638

NOTE:13

(F)Other Current Assets	As at 31.03.2014	As at 31.03.2013
Other Current Assets	566,575	566,575

NOTE:14

Sales		
Sales	37,734,803	54,290,988
Total	37,734,803	54,290,988

NOTE:15

Increase/ (Decrease) in Stock		
Closing Stock	3,190,800	2,440,250
Less: Opening Stock	2,440,250	8,445,500
Increase/ (Decrease) in Stock	750,550	(6,005,250)

NOTE:16

Other Income	As at 31.03.2014	As at 31.03.2013
Dividend Income	14,500	-
Total	14,500	-

NOTE:17

Purchase		
Décor Cloth	5,262,356	6,958,786
Flowers Purchase	-	601,500
General Purchase	2,234,200	5,570,311



Shangar Décor Limited 2013-14

Material Purchase	910,918	2,560,273
	8,407,474	15,690,870

NOTE:18

Employee Benefit Costs		
Salaries, Wages & Labour	3,565,145	4,822,953
Director Remuneration	1,512,000	3,900,000
Workmen and Staff Welfare Expenses	12,500	42,000
	5,089,645	8,764,953

NOTE:19

Finance Costs		
Interest on Term Loan	2,003,309	1,522,691
Bank Charges	21,827	13,608
	2,025,136	1,536,299

NOTE:20

Depreciation and amortization expense		
Depreciation	6,163,282	6,520,365
Amortization expense		

NOTE:21

Other Expenses		
A/C. Service Contract	145,750	9,550
Advertisement expense	10,000	142,291
AMC Tax	700,000	498,854
Audit Fees	20,000	20,000
Car Insurance Expense	42,450	62,605
Carting Expenses	332,202	756,825
Cleaning & Washing	412,016	683,219
Commission	308,430	-
Computer Exp	7,350	2,400
Design Expenses	30,000	65,000
Diesel Expense	85,850	173,350
Donation	2,500	6,000
Election Supervision Expense	108,000	142,000
Electric Burning	225,270	224,656
Electric Repairing & Maintenance	19,845	28,750
Godown Rent	674,000	440,900
Godown Repairing Expenses	-	120,500
Hall Premium	8,087,358	5,112,400
Income Tax Written Off	1,017,472	640,217
Insurance Expense	113,851	124,000



Shangar Décor Limited 2013-14

KasarVatav	(1,588,441)	3,014,785
Mandap Decoration Expense	107,615	101,209
Membership Fees	9,000	-
Misc. Exp	18,572	-
Petrol Exp.	94,050	163,500
Processing Fees	-	42,301
Professional Fees	739,500	720,000
Professional Tax Company	-	18,100
Repairs & Maintenance	358,439	296,500
Roc Filling	87,000	-
Service Tax	4,741,752	-
Staff Refreshment Expense	-	94,550
Stationary & Printing	45,383	35,256
Stiching Expenses	-	125,581
Tea & Refreshment	47,515	-
Telephone Exp. & Mobile Exp.	278,626	267,506
Tender Fees	4,000	1,500
Travelling Expenses	72,752	131,559
Vat Exp	231,421	707,271
Vehicle Exp(Car)	99,430	140,764
Vehicle Repairing Exp.	155,582	253,608
Total	17,844,539	15,367,507

NOTE:5

Particular	Gross Block			Depreciation			Net Block	
	Opening Balance	Addition	D E D	Total	Addition	D E D	31.03. 2014	31.03. 2013
Air Conditioner	50,507	-	-	50,507	7026	-	43,481	50,507
Computer	78,603	50,000	-	128,603	41,304	-	87,299	78,603
Decore Wooden	3,560,805	60,426	-	3,621,231	5,00,144	-	3,121,087	3,560,805
Decore Furniture	8,728,262	1,781,507	-	10,509,769	1,351,864	-	9,157,905	8,728,262
Decore Steel & Dome	15,442,665	1,492,100	-	16,934,765	2,245,906	-	14,688,859	15,442,665
Electric Fitting	328,276	-	-	328,276	45,663	-	282,613	328,276
Electrical Goods	1,238,763	47,475	-	1,286,238	174,320	-	1,111,918	1,238,763
EPBX	5,458	-	-	5,458	759	-	4,699	5,458
Fire Extinguishers	3,884	-	-	3,884	540	-	3,344	3,884
Godown Building	1,391,554	-	-	1,391,554	139,155	-	1,252,399	1,391,554



Shangar Décor Limited 2013-14

Honda Jazz Car	438,720	-	-	438,720	113,585	-	113,585	325,135	438,720
Innova Car	565,675	-	-	565,675	146,453	-	146,453	419,222	565,675
Mobile Telephone	235,638	-	-	235,638	32,777	-	32,777	202,861	235,638
Motor Car Skoda Superb	1,302,882	-	-	1,302,882	337,316	-	337,316	965,566	1,302,882
Motor Car SX4	577,750	-	-	577,750	149,579	-	149,579	428,171	577,750
Office Building	529,314	-	-	529,314	52,931	-	52,931	476,383	529,314
Office Furniture	217,729	-	-	217,729	39,409	-	39,409	178,320	217,729
Refrigerators	10,591	-	-	10,591	1,473	-	1,473	9,118	10,591
Scorpio LX Car	447,167	-	-	447,167	115,772	-	115,772	331,395	447,167
Vehicles	579,309	-	-	579,309	149,983	-	149,983	429,326	579,309
Vessels	3,227,606	1,341,355	-	4,568,961	517,323	-	517,323	4,051,638	3,227,606
Total	38,961,158	4,772,863	-	43,734,021	6,163,282	-	6,163,282	37,570,739	38,961,158



NOTE:22

Significant Accounting Policies**(A) Basis of Preparation of Financial Statement**

The financial statements have been prepared under the historical cost convention method in accordance with the generally accepted accounting principal and the provisions of the Companies Act, 1956. The Company follow mercantile system of accounting and recognizes income and expenditure on accrual basis except in the case of significant uncertainty relating to income.

(B) Fixed Assets and Depreciation:

Fixed assets of the Company are stated at cost renewals and replacements are either Capitalized or charged to revenue, as appropriate, depending upon the nature and long-term utility of such renewals/ replacements. In respect of assets scrapped, discarded or retire during the year, the net block value of such assets is written off as loss on discarded fixed assets. The receipts on sale of such scrapped assets are accounted as and when realized.

(C) Depreciation:

The Company has a policy of providing depreciation on fixed assets on written down basis u/s 205(2)(a) of the Companies Act,1956 at the rates specified in schedule XIV of the said act.

(D) Investment:

Investment in share of companies, quoted or unquoted are carried at cost of acquisition.

(E) Sales, Purchase and Inventories:

Sales are involved on delivery of goods, Purchases are accounted on the receipt of title of goods including related cost. Inventories are valued at cost including all related expenses or market value whichever is lower on FIFO basis stock of Educational material has been valued at cost.

(F) Miscellaneous Expenditure:

Preliminary & Preoperative Expenditure is written off over **five years (If Any)**.

(G) Excise Duty:

Excise duty is not applicable to the business in which the company is engaged.

(H) Borrowing cost:

The company follows the practice of capitalizing interest on borrowing for capital expenditure up to the date the assets is put to use.



(I) Taxes on Income:

Tax on income for the current period is determine on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on expected outcome of assessment/ appeals.

Deferred Tax is recognized on timing difference between the accounting income and the taxable income for the year ended and quantified using the tax rates and laws enacted or subsidiary enacted as on the balance sheet date.

Note on Accounts

1. The Sundry Creditors, Sundry Debtors, Unsecured loans and loans & advances are subject to confirmation.

2. Director's Remuneration Rs. 15,12,000(P.Y. Rs. 39,00,000)

3. Auditor's Remuneration (In Rs.)

Particulars	Current year	Previous Year
Audit Fees	25000	20000
Out of pocket Exp.	NIL	NIL

4. In the opinion of the Board of Directors, the Current Assets, Loans and Advances are approximately value stated, if realised in the ordinary course of business. The provisions of all known liabilities are adequately provided and not in the excess of amount reasonably necessary.

5. The Company has given Corporate Guarantee to banks against Loans sanctioned by banks to the company aggregated to Rs. 108.37 Lakhs(PY: Rs. 66.24 lakhs)

6. The Company had been advised that the computation of net profit u/s. 349 of the Companies Act, 1956 had not been made since no commission is paid/ payable to the directors for the year.

7. AS-15: In the opinion of the Board at present the company is not liable for gratuity and treatment of retirement benefit are accounted for as and when Paid.

8. Estimated amount of contracts remaining to be executed on capital account and not provided for Nil(P.Y. Nil)

	Particulars	2013-14
9.	C.I.F value of imports	Nil
10.	Expenditure in foreign currency (For import Purchase)	Nil
11.	Earning in foreign exchange	Nil
12.	Contingent Liabilities	Nil



13. There no Contribution to the defined contribution scheme such as Provident Fund etc. However no provision for gratuity is made during the year as the same is still not applicable to the company.

14. Related Party Disclosure: As per Accounting Standard-18(As-18)

Sr. No.	Name of related party	Relationship
1.	Samir Shah	Director
2.	Parul Shah	Director
3.	Saumil Shah	Director

List of transaction:

Sr. No.	Name of party	Relationship	Amount (Rs.)
1.	Samir Shah	Director Salary	12,00,000
2.	Saumil Shah	Director Salary	312,000

15. Accounting for Taxes on Income (AS-22)

Deferred Tax Assets/ Liability are provided in accordance with Accounting Standard AS-22 issued by the Institute of Chartered Accountants of India.

16. Details of Earning per Shares:

S. No.	Particulars	2013-14	2012-13
1	No. of Equity Shares of Re. 10/- each	3060100	3060100
2	Net Profit/(Loss) After Tax	-10,30,223	10,27,269
3	Basic and diluted earning per Shares	-0.34	0.34

17. AS-28: All the assets have been physically verified by the management during the year and also there is a regular programme of verification which, in our opinion, is reasonable having regarded to the size of the company and the nature of it assets. No material discrepancies were noticed on such verification.

18. The previous years figure have been rearranged/ re grouped where ever necessary. As per our report of even date.



For, **Niral Parikh & Associates**

On behalf of the Board
For, **Shangar Décor Limited**

(Niral L. Parikh)
Proprietor
(M. No.: 144951)
Firm Reg. No. 134321W



Director

Place: Ahmedabad
Date: 14th August, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2014

PARTICULARS	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	-1030223.28	405743.85
ADJUSTMENTS:		
DEPRECIATION	6163282	6520365
INTEREST PAID ON LOANS & FINANCE CHARGES	2025136.47	1536299.4
(PROFIT)/LOSS ON SALE OF FIXED ASSETS (CAR)	0	0
PRELIMINARY EXP. W/O	0	0
AMOUNT TRANSFERRED TO RESERVES AND SURPLUS		0
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES:	7158195.19	8462408.25
CHANGES IN WORKING CAPITAL		
(INCREASE)/DECREASE IN STOCK	-750550	6005250
(INCREASE)/DECREASE IN DEBTORS	-5723964	-2638602
(INCREASE)/DECREASE IN ADVANCES AND DEPOSITS	9826101	-13440399
INCREASE/(DECREASE) IN CREDITORS	-1980297	853091
INCREASE/(DECREASE) IN SHORT TERM BORROWING	0	0
INCREASE/(DECREASE) IN PROVISIONS	-3465324.59	5424030
INCREASE/(DECREASE) IN OTHER CURRENT ASSET	388568	-955142
INCREASE/(DECREASE) IN OTHER CURRENT LIABILITIES		0
CASH FLOW FROM OPERATING ACTIVITIES	5452728.6	3710636.25
LESS: TAXES PAID	0	0
NET CASH FLOW FROM OPERATING ACTIVITIES	5452728.6	3710636.25



B. CASH FLOW FROM INVESTING ACTIVITIES		
SALES OF FIXED ASSETS	0	2800592
PURCHASE OF FIXED ASSETS	-4772863	1654000
PURCHASE OF INVESTMENT	0	-8471065
NET CASH FLOW FROM INVESTING ACTIVITIES	-4772863	-4016473
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
INCREASE IN CAPITAL	0	0
SHRE APPLICATION MONEY RECEIVED	0	0
INCREASE/(DECREASE) IN SECURED LOANS	2088983.62	-1477877.43
INCREASE/(DECREASE) IN UNSECURED LOAN	0	0
INTEREST PAID ON LOANS & FINANCE CHARGES	-2025136.47	-1536299.4
NET CASH FLOW FROM FINANCIAL ACTIVITIES	63847.15	-3014176.83
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	743713.03	-3320013.58
OPENING BALANCE OF CASH & CASH EQUIVALENTS	842175	4162188
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	1585888.03	842175



As per our report of even date attached
For Niral Parikh & Associates
Chartered Accountants

For Shangar Décor Limited

CA. Niral Parikh
Proprietor
Membership no.: 144951
Firm Reg No: 134321W
Place: Ahmedabad
Date : 14th August, 2014



Samirbhai R.
Shah
Director

Saumil S. Shah
Director

Shangar Decor Limited

CIN: L36998GJ1995PLC028139

Registered Office: 4 Sharad Flats Opp- Dharnidhar temple, Ahmedabad - 380007

Folio No/Client ID & DP Id:

ATTENDANCE SLIP

19th Annual General Meeting on
Tuesday, The 30th September
4, Sharad Flats,
Opp-Dharnidhar Temple.
Ahmedabad-380007

- A member/proxy wishing to attend the Meeting must complete this Attendance Slip before coming to the Meeting and hand it over at the entrance.
- If you intend to appoint a proxy, please complete the Proxy Form and deposit it at the Company's Registered Office, at least 48 hours before the Meeting.
- Please bring your copy of the Annual Report to the Meeting

I record my presence at the 19th Annual General Meeting

Name of Proxy in BLOCK LETTERS
(If the Proxy attends instead of the Member)



Signature of Member/Proxy

PROXY FORM

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

CIN: L36998GJ1995PLC028139

Name of the Company: Shangar Decor Limited

Registered Office: 4 Sharad Flats Opp- Dharnidhar temple, Ahmedabad - 380007

Name of the Member(s):	
Registered Address:	
Email ID:	
Folio No. / Client ID	
DP ID:	

I/We being the member(s) of _____, shares of **Shangar Decor Limited.**, hereby appoint

1. Name: _____

Address _____

Email Id: _____

Signature: _____, or Failing him/her.

2. Name: _____

Address _____

Email Id: _____

Signature: _____, or Failing him/her.

3. Name: _____

Address _____

Email Id: _____

Signature: _____, or Failing him/her.



Shangar Décor Limited 2013-14

Resolution No.	Resolution	Vote (Optional See Note No. 5)	
		For	Against
ORDINARY BUSINESS			
1.	Adoption of Audited Balance sheet as at 31 st , March 2014 and the Audited Statement of Profit & Loss of the Company for the Financial year ended on 31 st , March 2014 and the Reports of Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mr. Samirbhai Rasiklal Shah who retires by rotation and being eligible offers himself for re-appointment.		
3.	To re-appoint Auditors and fix their remuneration		
SPECIAL BUSINESS			
4.	Appointment of Mr Ashokkumar Amratlal Shah as an Independent Director		
5.	Appointment of Mr.Chandrakant Ramchandra Joshi as an Independent Director.		

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19th Annual General Meeting of the company, to be held on Tuesday, September 30, 2014, at 11 a.m. at 4 Sharad Flats Opp- Dharnidhar temple, Ahmedabad - 380007 and at any adjournment thereof in respect of such resolutions as are indicated below

Signed this _____ day of September 2014.

Signature of shareholder _____

Signature of Proxy holder(s) _____

Affix Revenue Stamp

Note:

1. 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.
2. A Proxy need not be a Member of the Company.
3. For the Resolutions and Explanatory Statement, please refer to the Notice of the nineteenth Annual General Meeting.
4. Please refer note no. 1 to the Notice for relevant provisions relating to Proxy.
5. It is optional to indicate your preference. Please put 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all of the Resolutions, your Proxy will be entitled to vote in the manner as he / she may deem appropriate.

