

Date: - **24-10-2024**

To,
Department of Corporate Service,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001
SCRIP CODE: 540259

Subject: - Outcome of Board Meeting of Shangar Decor Limited held today i.e. Thursday, 24th October, 2024

Dear Sir / Madam,

We wish to inform you that the Board of Directors of the Company, in their meeting held today, i.e. Thursday, 24th October, 2024, have inter alia has approved the Letter of Offer dated 24th October, 2024 ("LOF"), Abridged Letter of Offer along with Application Forms and Rights Entitlement Letter.

Accordingly, we are enclosing the copy of the Letter of Offer for the proposed Right issue of our Company, which was approved and adopted by the Board of Director at their meeting held on today i.e., Thursday, 24th October, 2024.

Kindly take the same on your record.

The meeting started at 6.30 PM and concluded at 8.30 PM

Kindly take the same on your records and acknowledge the receipt.

By the order of the Board of Directors
For, Shangar Decor Limited

Samir
Shah

Digitally signed by Samir
Shah
DN: cn=Samir Shah, o=ou,
email=samirshah@gmail.c
om, ou=SH,
Date: 2024.10.24 20:07:03
+05'30'




Samirbhai Shah
Managing Director
DIN: 00787630

wedding decor - theme decor - exhibitions - religious & corporate events

CIN No. : IL36998GJ1995PLC028139

4, Sharad Flats, Opp. Dharnidhar Derasar, B/h. Sales India, Paldi Ahmedabad-380007

Ph. No. 079-26634458 • 26622675

 shangardecorltd@hotmail.com,  info@shangardecor.com  www.shangardecor.com

SHANGAR DECOR LIMITED

Shangar Decor Limited (CIN: L36998GJ1995PLC028139) was incorporated on November 16, 1995 as public limited company under the Companies Act, 1956 in Gujarat. The Company obtained the Certificate of Commencement of Business on November 17, 1995 from the Registrar of Companies, Gujarat, Dadra Nagar Haveli. The Registered Office of the Company is situated at : 4 Sharad Flats Opp-Dharnidhar Temple, Ahmedabad-380007, Gujarat, India. For details of changes in registered office of our Company, see '**General Information**' beginning on page 39 of the Letter of Offer.

Registered Office: 4 Sharad Flats Opp-Dharnidhar Temple, Ahmedabad-380007, Gujarat, India

Contact Number: +91 9825023622

Contact Person: Mr. Samirbhai R. Shah, Managing Director;

E-mail Address: moulinshah@shangardecor.com; **Website:** www.shangardecor.com

Corporate Identity Number: L36998GJ1995PLC028139

THE PROMOTER OF OUR COMPANY ARE SAMIRBHAI RASIKLAL SHAH, PARUL SAMIR SHAH, MOULIN SAMIR SHAH AND SAHIL S SHAH

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS SHANGAR DECOR LIMITED

RIGHTS ISSUE OF UP TO 8,56,82,800 FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹ 5.00/- (RUPEES FIVE ONLY) EACH OF OUR COMPANY (THE 'RIGHTS EQUITY SHARES') FOR CASH AT A PRICE OF ₹5.76 (RUPEES FIVE AND SEVENTY-SIX PAISA ONLY) PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹0.76 (RUPEES SEVENTY-SIX PAISA ONLY) PER RIGHTS EQUITY SHARE) AGGREGATING UP TO ₹ 4935.33 LAKHS* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 7 (Seven) RIGHT EQUITY SHARE FOR EVERY 1 (One) FULLY PAID UP EQUITY SHARE HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON MONDAY, 28TH OCTOBER, 2024 (THE 'ISSUE'). FOR FURTHER DETAILS, SEE 'TERMS OF THE ISSUE' BEGINNING ON PAGE 173. THE RIGHTS ISSUE PRICE IS 5.76(RUPEES FIVE AND SEVENTY-SIX PAISA ONLY) TIMES THE FACE VALUE OF THE EQUITY SHARES.

**assuming full subscription.*

WILFUL DEFAULTER(S) OR FRAUDULENT BORROWER(S)

Neither our Company nor our Promoter or any of our Directors have been identified as Wilful Defaulter(s) or Fraudulent Borrower(s).

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the SEBI nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Specific attention of investors is invited to the statement of '**Risk Factors**' beginning on page 20.

COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed on BSE Limited. Our Company has received 'in-principle' approval from BSE Limited for listing the Rights Equity Shares to be allotted pursuant to the Issue through its letters dated **3rd October, 2024**. Our Company will also make application to BSE Limited to obtain trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of the Issue, the Designated Stock Exchange is BSE Limited.

REGISTRAR TO THE RIGHTS ISSUE

Purva Shareregistry (India) Private Limited

Unit no. 9, Shiv Shakti Ind. Estt. J. R. Boricha Marg, Lower Parel (E) Mumbai 400 011.

Telephone: +91 22 4961 4132;

E-mail: support@purvashare.com

Website: <https://www.purvashare.com>

Contact Person: Deepali Dhuri, Compliance Officer;

SEBI Registration Number: INRO00001112; **Validity of Registration:** Permanent

Corporate Identification Number: U67120MH1993PTC074079;

ISSUE PROGRAMME

ISSUE OPENS ON

**LAST DATE FOR ON MARKET
RENUNCIATION***

ISSUE CLOSES ON**

FRIDAY, 8TH NOVEMBER, 2024

FRIDAY, 29TH NOVEMBER, 2024

FRIDAY, 6TH DECEMBER, 2024

**Eligible Equity Shareholders are requested to ensure that renunciation through off market transfer is completed in such a manner that the Rights Entitlements are credited to the demat accounts of the Renounees on or prior to the Issue Closing Date.*

***Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing date.*

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

DEFINITIONS

This Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, or policies shall be to such legislation, act, regulation, rules, guidelines, or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. The following list of certain capitalized terms used in this Letter of Offer is intended for the convenience of the reader/prospective Applicant only and is not exhaustive.

In this Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to 'the/our Company', 'we', 'our', 'us or similar terms are to Shangar Decor Limited as the context requires, and references to 'you' are to the Eligible Shareholders and/ or prospective Investors in this Right Issue of Equity Shares.

The words and expressions used in this Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in section titled '*Industry Overview*', '*Statement of Tax Benefits*', '*Financial Information*', '*Outstanding Litigations, Defaults, and Material Developments*' and '*Terms of the Issue*' on page 55, 51, 98, 157, and 173 respectively, shall have the meaning given to such terms in such sections.

CONVENTIONAL/ GENERAL TERMS

Term	Description
Shangar Decor Limited / Company	Shangar Decor Limited, a public limited company incorporated on November 16, 1995, under the provisions of the Companies Act, 1956, as amended from time to time, having its registered office located at: 4 Sharad Flats Opp-Dharnidhar Temple, Ahmedabad-380007, Gujarat, India, bearing corporate identification number: 'L36998GJ1995PLC028139'
We/ us/ our	Unless the context otherwise indicates or implies, refers to Shangar Decor Limited
AoA/ Articles of Association	The Articles of Association of Shangar Decor Limited, as amended from time to time
Audit Committee	The committee of the Board of Directors constituted as our Company's audit committee in accordance with the provisions of Section 177 of the Companies Act and Regulation 18 of the SEBI (LODR) Regulations
Audited Financial Statements	The audited financial statements of our Company prepared in accordance with Indian Accounting Standards for the Financial Years ended on March 31, 2024 and March 31, 2023.
Auditors/ Statutory Auditors	The current statutory auditors of our Company M/s. S.D. Mehta & Co., Chartered Accountants bearing Firm Registration Number: '137193W'
Board of Directors/ Board	Board of Directors of our Company
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, being, Ms. Shubhangi Chourasia.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company, being Mr. Saumil Shrenikbhai Shah.
Corporate Social Responsibility Committee	The committee of the Board of Directors constituted as our Company's Corporate Social Responsibility Committee in accordance with the provisions of Section 135 of the Companies Act
Directors	The director(s) on the Board of our Company, unless otherwise specified
Eligible Shareholder(s)	Eligible holder(s) of the Equity Shares of Shangar Decor Limited as on the Record Date
Equity Shares	Equity shares of the Company having face value of ₹ 5.00 (Rupees Five Only)

Term	Description
Independent Director	Independent directors on the Board and eligible to be appointed as an Independent Director under the provisions of Sections 2(47) and 149(6) of the Companies Act and Regulation 16 (1) of the SEBI (LODR) Regulations. For details of the Independent Directors, please refer to section titled ' Our Management ' beginning on page 85 of this Letter of Offer
ISIN of our Company	International Securities Identification Number being INE118R01024.
Key Management Personnel /KMP	Key management personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act. For details, please refer to section titled ' Our Management ' beginning on page 85 of this Letter of Offer
Materiality Policy	Policy on determination of materiality of events adopted by our Company in accordance with Regulation 30 of the SEBI Listing Regulations
MoA/ Memorandum of Association	The Memorandum of Association of Shangar Decor Limited, as amended from time to time
Nomination and Remuneration Committee	The committee of the Board of directors reconstituted as our Company's Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations
Promoter	The Promoter of our Company are Mr. Samirbhai Rasiklal Shah, Mrs. Parul Samir Shah, Mr. Moulin Samir Shah and Mr. Sahil S Shah
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations and as disclosed by our Company in the filings made with BSE Limited under the SEBI (LODR) Regulations
Registered Office	The registered office of our Company is situated at 4 Sharad Flats Opp-Dharnidhar Temple, Ahmedabad-380007, Gujarat, India.
Registrar of Companies	Registrar of Companies, Ahmedabad situated at ROC Bhavan , Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat
Risk Management Committee	The committee of the Board of Directors constituted as our Company's Risk Management Committee in accordance with the provisions of Regulation 21 of the SEBI (LODR) Regulations
Stakeholders' Relationship Committee	The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations
Stock Exchange	The stock exchange where the Equity Shares are presently listed, being BSE Limited.
Unaudited Financial Statement	The unaudited, limited review financial results of our Company as at and for the six months ended September 30, 2024.

ISSUE RELATED TERMS

Term	Description
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act.
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allot/ Allotment/ Allotted	Unless the context requires, the allotment of Rights Equity Shares pursuant to this Issue.
Allotment Account	The account opened with the Banker to the Issue, into which the Application amounts by ASBA blocked in the ASBA Account, with respect to successful Investors will be transferred on the Transfer Date in accordance with Section 40 (3) of the Companies Act.
Allotment Account Bank	The bank which is a clearing member and registered with SEBI as bankers to an issue and with whom the Allotment Account will be opened, in this case being, Kotak Mahindra Bank Limited.
Allotment Advice	Note, advice, or intimation of Allotment sent to each successful Investors who have been or is to be Allotted the Rights Equity Shares pursuant to this Issue

Term	Description
	after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allotment Date	The date on which the Allotment is made pursuant to this Issue.
Allottees	Person(s) who are Allotted Rights Shares pursuant to the Allotment.
Applicant(s)/ Investor(s)	Eligible Shareholder(s) and/or Renouncee(s) who make are entitled to make an application for the Rights Shares pursuant to this Issue in terms of the Letter of Offer.
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form through the website of the SCSBs (if made available by such SCSBs) under the ASBA process is used by an Investor to make an application for the Allotment of Rights Shares in the Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount/ ASBA	Application (whether physical or electronic) used by ASBA Investors to make an application authorizing the SCSB to block the Application Money in the ASBA Account maintained with such SCSB.
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Application Money of the ASBA Investor.
ASBA Applicant /ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including Renouncees) shall make an application for a rights issue only through the ASBA facility.
ASBA Bid	Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations.
ASBA Circulars	Collectively, the SEBI circulars bearing reference numbers 'SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009', 'CIR/CFD/DIL/1/2011 dated April 29, 2011', and 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020'.
Bankers to the Issue	The, Allotment Account Bank, to the Issue, in this case being Kotak Mahindra Bank Limited ;
Bankers to the Issue Agreement	Agreement dated 23 rd October, 2024 entered by and amongst our Company, the Registrar, and the Bankers to the Issue.
Basis of Allotment	The basis on which the Rights Shares will be Allotted to successful Applicants in the Issue in consultation with BSE Limited, and which is described in the section titled ' <i>Terms of the Issue</i> ' beginning on page 173 of this Letter of Offer.
BSE Limited	BSE Limited, being the Stock Exchange where presently the Equity Shares of the Company are listed.
Call Record Date	A record date fixed by our Company to determine the names of the holders of Rights Shares for the purpose of issuing the Call.
Controlling Branches /Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue, and BSE Limited, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation, and bank account details, where applicable.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the Application Form or plain paper application, submitted by ASBA Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=Fpi=yes&intmId=35 updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants)

Term	Description
	Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Draft Letter of Offer/ DLoF	This Draft Letter of Offer dated 5 th September 2024, filed with BSE Limited, in accordance with the SEBI (ICDR) Regulations, for their observations and in-principle approvals.
Eligible Shareholders	Equity Existing Equity Shareholders as on the Record Date i.e. Monday, 28 th October, 2024. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders.
Issue/ Rights Issue	Issue of upto fully paid up 8,56,82,800 Equity Shares with a face value of Rs. 5/- each for cash at a price of Rs. 5.76/- per Equity Share aggregating up to Rs. 4935.33 Lakhs on a rights basis to Eligible Shareholders in the ratio of 7 (Seven) Rights Equity Shares for every 1 (One) fully paid-up Equity Share held on the Record Date i.e. Monday, 28 th October, 2024.
Issue Opening Date	Friday, 8th November, 2024 .
Issue Closing Date	Friday, 6th December, 2024 .
Issue Materials	The Draft Letter of Offer, The Letter of Offer, Abridged Letter of Offer, Rights Entitlement Letter, Application Forms, including any notices, corrigendum thereto.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their Applications, in accordance with the SEBI (ICDR) Regulations.
Issue Price	Rs. 5.76/- per Equity Share
Issue Shares	The issue of upto 8,56,82,800 Rights Equity Shares. .
Issue Proceeds	The proceeds of the Issue that are available to our Company.
Issue Size	The issue of upto 8,56,82,800 Rights Equity Shares for an amount aggregating up to Rs. 4935.33 Lakhs.
Letter of Offer/ LoF	The final letter of offer is to be filed with SEBI, BSE Limited after incorporating the observations received from BSE on the Draft Letter of Offer.
Listing Agreements	Listing agreements entered between our Company and BSE Limited in terms of the SEBI (LODR) Regulations.
Multiple Forms	Application More than one Application Form submitted by an Eligible Equity Shareholder/Renouncee in respect of the same Rights Entitlement available in their demat account. However supplementary applications in relation to further Rights Shares with/without using additional Rights Entitlements will not be treated as multiple applications.
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please refer to the section titled ' <i>Objects of the Issue</i> ' beginning on page 46 of this Letter of Offer;
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees.
Non-Institutional Investors/ NIIs	An Investor is other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI (ICDR) Regulations.
Offer Document	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigendum, advertisements, thereto, Rights Entitlement Letter.
Off Market Renunciation	The renunciation of Rights Entitlements is undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the BSE Limited through a registered stockbroker in accordance with the SEBI Rights Issue Circulars and the circulars issued by BSE Limited, from time to time, and other applicable laws, on or before Friday, 29 th November, 2024.
Payment Schedule	Full amount payable on Application i.e 5.76
Physical Shareholders	Equity Eligible Equity Shareholders holding Equity Shares in physical form shall be termed as Physical Equity Shareholders.

Term	Description
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations.
Record Date	Designated date to determine the Eligible Equity Shareholders eligible to apply for Rights Shares, being Monday, 28 th October, 2024.
Registrar Agreement	Agreement dated 4 th September, 2024 entered between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Registrar to the Company	Purva Sharegistry (India) Private Limited
Registrar to the Issue	Purva Sharegistry (India) Private Limited
Renounees	Any persons who have acquired Rights Entitlements from the Eligible Equity Shareholders through renunciation.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. Friday, 8 th November, 2024. Such period shall close on Friday, 29 th November, 2024 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounee on or prior to the Issue Closing Date i.e. Friday, 6 th December, 2024;
Retail Individual Investors/ RIIs	An Individual Investor (including an HUF applying through Karta) who has applied for Rights Shares and whose Application Money is not more than ₹2,00,000/- (Rupees Two Lakhs Only) in the Issue as defined under Regulation 2(1)(vv) of the SEBI (ICDR) Regulations.
Rights Entitlement Letter	This letter includes details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are accessible on the website of our Company.
Rights Entitlement (s)/ RES	The number of Rights Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date, in this case being 7 Rights Shares for every 1 Equity Shares held by an Eligible Shareholder. The Rights Entitlements with a separate ISIN 'INE118R20016 ' will be credited to your demat account before the date of opening of the Issue, against the Equity Shares held by the Equity Shareholders as on the Record Date, pursuant to the provisions of the SEBI (ICDR) Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date;
Rights Shares	Equity Shares of our Company to be Allotted pursuant to this Issue;
SEBI Rights Issue Circulars	The SEBI circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020'.
Self-Certified Syndicate Banks/ SCSB(s)	Self-certified syndicate banks registered with SEBI, which act as a Banker to the Issue and which offer the facility of ASBA. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpis&intmId=34
Transfer Date	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter or Fraudulent Borrower	A Company or person, as the case may be, categorized as a wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of SEBI (ICDR) Regulations and in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, a working day means all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the period between the Issue

Term	Description
	Closing Date and the listing of Equity Shares on BSE Limited, working day means all trading days of BSE, excluding Sundays and bank holidays, as per circulars issued by SEBI.

INDUSTRY RELATED TERMS

Term	Description
CAGR	Compound Annual Growth Rate
EAP	Externally Aided Projects
FDI	Foreign Direct Investment
FMCG	Fast Moving Consumer Goods
GDP	Gross Domestic Product
GERD	Gross Expenditure on Research and Development
ICT	Information and Communications Technology
IMF	International Monetary Fund
MT	Million Tonnes
MTPA	Million Tonnes Per Annum
PPP	Public Private Partnership
WHO	World Health Organization

ABBREVIATIONS

Term	Description
AIF	Alternative Investment Fund as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
CAF	Common Application Form
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970
Companies Act, 2013	Companies Act, 2013 along with rules made thereunder
Companies Act, 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Consolidated FDI Policy	Consolidated FDI Policy dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CSR	Corporate Social Responsibility
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018
Depositories Act	The Depositories Act, 1996, including subsequent amendments thereto
DIN	Director Identification Number
DP	Depository Participant
DP-ID	Depository Participant's Identification
DR	Depository Receipts
EBITDA	Profit/(loss) before tax for the year adjusted for income tax expense, finance costs, depreciation, and amortisation expense, as presented in the statement of profit and loss
EGM	Extraordinary General Meeting
EPS	Earning per Equity Share
FCNR Account	Foreign Currency Non-Resident Account
FDI	Foreign Direct Investment

Term	Description
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws
FIPB	Foreign Investment Promotion Board
FPIs	Foreign Portfolio Investors
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
FY/ Financial Year	Period of 12 months ended March 31 of that particular year, unless otherwise stated
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GDR	Global Depository Receipt
GNPA	Gross Net Performing Assets
GoI / Government	The Government of India
HUF	Hindu Undivided Family
Ind AS	Indian Accounting Standards
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
Indian GAAP/ I-GAAP	Generally Accepted Accounting Principles in India
Income Tax Act/ IT Act	The Income Tax Act, 1961 and amendments thereto
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended
INR / ₹ / Rs. / Indian Rupees	Indian Rupee, the official currency of the Republic of India
IST	Indian Standard Time
IT	Information Technology
MCA	The Ministry of Corporate Affairs, Government of India
Mn / mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NAV	Net Asset Value
NCT	National Capital Territory, Delhi
NCLT	National Company Law Tribunal
NCLAT	National Company Law Appellate Tribunal
NEFT	National Electronic Fund Transfer.
Net Worth	The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account, and debit or credit balance of the profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure, and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, writeback of depreciation and amalgamation
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NR/ Non- Resident	A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI
NRE	Account Non-resident external account
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body

Term	Description
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after Tax
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RoNW	Return on Net Worth
SCORES	SEBI Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto
Securities Act	United States Securities Act of 1933, as amended
STT	Securities transaction tax
Trade Mark Act	Trade Marks Act, 1999 and the rules thereunder, including subsequent amendments thereto
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

NOTICE TO OVERSEAS INVESTORS

The distribution of the Issue Material and the Issue of Rights Entitlements or the Rights Shares on a right basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons in whose possession the Issue Material may come are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Shareholders as on Record Date and will dispatch the Issue Materials through email and courier to such Eligible Shareholders who have a registered address in India or have provided an Indian address to our Company. The Letter of Offer will be provided, through email and courier, by the Registrar on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company or who are in jurisdictions where the offer and sale of the Rights Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Those overseas shareholders, who have not updated our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent the Issue Materials. Investors can also access the Issue Material from the websites of the Registrar, our Company, and on BSE.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer has been filed with BSE for observations. Accordingly, the Rights Entitlements or the Rights Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer, and, under such circumstances, Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the Issue of Rights Entitlements or the Rights Shares, distribute or send the same in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If issue Materials are received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlements, or the Rights Shares referred to in the Issue Materials.

Any person who makes an application to acquire the Rights Entitlement or the Rights Shares offered in this Issue will be deemed to have declared, represented, warranted, and agreed that she/he is authorized to acquire the Rights Entitlement or the Rights Shares in compliance with all applicable laws and regulations prevailing in her/his jurisdiction. Our Company, the Registrar or any other person acting on behalf of us reserve the right to treat any Application Form as invalid where we believe that the Application Form is incomplete, or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to Allot or issue any Rights Entitlement or Rights Shares in respect of any such Application Form.

Neither the delivery of Issue Materials nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of the Letter of Offer.

The contents of the Issue Materials should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state, or local tax or legal consequences as a result of the offer of Right Entitlements or Rights Shares. As a result, each Investor should consult its own counsel, business advisor, and tax advisor as to the legal, business, tax, and related matters concerning the offer of the Rights Entitlement or the Rights Shares. In addition, our Company is not making any representation to any offeree or purchaser of the Rights Entitlement or the Rights Shares regarding the legality of an investment in the Rights Entitlement or the Rights Shares by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

The Right Entitlements or the Rights Shares of our Company have not been and will not be registered under the Securities Act, or any U.S. state securities laws and may not be offered, sold, resold, or otherwise transferred within the United States of America or the territories or possessions thereof, except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in the Issue Materials are being offered in India, but not in the United States. The offering to which the Issue

Materials relate to is not and are under no circumstances to be construed as, an offering of any Right Entitlement or the Rights Shares for sale in the United States or as a solicitation therein of an offer to buy any of the said Right Entitlement or the Rights Shares. Accordingly, the Issue Materials should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letters should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Right Entitlements or the Rights Shares and wishing to hold such Rights Shares in registered form must provide an address for registration of the Equity Shares in India. Any person who acquires Right Entitlements or Rights Shares will be deemed to have declared, represented, warranted, and agreed, that:

1. It is not and that at the time of subscribing for the Right Entitlements or the Rights Shares, it will not be, in the United States when the buy order is made,
2. It does not have a registered address (and is not otherwise located) in the United States, and
3. It is authorized to acquire the Right Entitlements or the Rights Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any Application Form which:

1. Does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations;
2. Appears to our Company or its agents to have been executed in or dispatched from the United States;
3. Where a registered Indian address is not provided; or
4. Where our Company believes that the Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Entitlement or the Right in respect of any such Application Form.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

CERTAIN CONVENTIONS

In this Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to the/our 'Company', 'we', 'our', 'us' or similar terms are to Shangar Decor Limited or, as the context requires, and references to 'you' are to the Equity Shareholders and/ or prospective Investors in the Equity Shares.

Unless otherwise specified, any time mentioned in this Letter of Offer is in Indian Standard Time.

Unless indicated otherwise, all references to a year in this Letter of Offer are to a calendar year.

FINANCIAL DATA

Unless stated otherwise, the financial data in this Letter of Offer is derived from the Audited Financial Statements, which have been prepared in accordance with Ind As, Accounting Standards, Companies Act, 2013. For further details, please refer to the section titled '*Financial Information*' beginning on page 98 of this Draft Letter of Offer.

Unless otherwise specified or the context otherwise requires, the financial data in this Letter of Offer is derived from the Audited Financial Statements of our Company as of and for the financial year ended March 31, 2024 and Unaudited Financial Results for the six months ended September 30, 2024.

Further, the financial information as of and for the financial year ended March 31, 2024 is derived from the comparatives presented in the Audited Financial Statements as of and for the financial year ended March 31, 2023.

The Unaudited Financial Results for the six months ended September 30, 2024 are not indicative of the full year performance of the Company and hence are not comparable with the financial information presented for the year ending March 31, 2024.

Our Company publishes its financial statements and financial results in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

In this Letter of Offer, any inconsistencies in any table between the aggregate and the total of the sums recorded are because of rounding off. Certain figures in decimals have been rounded off and accordingly there may be consequential changes in this Letter of Offer

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

CURRENCY OF PRESENTATION

All references in this Letter of Offer to 'Rupees', 'Rs.', '₹', 'Indian Rupees' and 'INR' are to Rupees, the official currency of the Republic of India.

All references to 'U.S. \$', 'U.S. Dollar', 'USD' or '\$' are to United States Dollars, the official currency of the United States of America.

Sr. No.	Name of the Currency	Exchange rates as on		
		September 30, 2024	March 31, 2024	March 31, 2023
1.	1 United States Dollar	83.79	83.37	82.22

Source: www.fbil.org.in.

Please Note:

One million is equal to 1,000,000/10 lakhs;

One billion is equal to 1,000 million/100 crores;

One lakh is equal to 100 thousand;

One crore is equal to 10 million/100 lakhs

FORWARD LOOKING STATEMENTS

We have included statements in this Letter of Offer which contain words or phrases such as ‘will’, ‘may’, ‘aim’, ‘is likely to result’, ‘believe’, ‘expect’, ‘continue’, ‘anticipate’, ‘estimate’, ‘intend’, ‘plan’, ‘contemplate’, ‘seek to’, ‘future’, ‘objective’, ‘goal’, ‘project’, ‘should’, ‘pursue’ and similar expressions or variations of such expressions, that are ‘forward looking statements’.

Further, actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in its industry and incidents of any natural calamities and/or acts of violence.

Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

1. General economic and business conditions in India and in the markets in which we operate and in the local, regional, and national economies;
2. Changes in laws and regulations relating to the agro sector and industry in which we operate;
3. Increased competition in industries and sector in which we operate;
4. Our ability to successfully implement our growth strategy and expansion plans and to successfully launch and implement various projects and business plans for which funds are being raised through this Issue;
5. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
6. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
7. Any adverse outcome in the legal proceedings in which our Company is involved;
8. Other factors beyond our control;
9. Our ability to manage risks that arise from these factors;
10. Changes in Government policies and Regulatory actions that apply to or affect our business;
11. Conflicts of interest with affiliated companies, the promoter group and other related parties;
12. The performance of the financial markets in India and globally; and
13. We are affected by volatility in interest rates, adversely affecting our net interest income;

For a further discussion of factors that could cause the actual results to differ, please refer to the section titled ‘**Risk Factors**’ beginning on page 20 of this Letter of Offer. By their nature, certain market risk disclosures are only estimates and could materially be different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance. Our Company or advisors does not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI and BSE’s requirements, our Company shall ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

SECTION II – SUMMARY OF THE LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to prospective Investors.

This summary should be read in conjunction with and is qualified by the more detailed information appearing in this Letter of Offer, including the sections titled '*Risk Factors*', '*Objects of the Issue*', '*Industry Overview*', '*Business Overview*', and '*Outstanding Litigations, Defaults and Material Developments*' beginning on pages 20, 46, 55, 63, and 157 of this Letter of Offer, respectively.

PRIMARY BUSINESS

Our Company, Shangar Decor Limited, was incorporated on November 16, 1995, under the Companies Act, 1956. Company has obtained the Certificate of Commencement of Business on November 17, 1995 from the Registrar of Companies, Gujarat. The CIN of our company is L36998GJ1995PLC028139. Our company is engaged in the business of providing its clients decor related services that range from Pre-wedding events, Theme wedding, corporate events, religious events, Property decor, Lights decor, and exhibitions and Catering. We provide the best-in-class service to our clients along with the utmost quality and safety precautions.

Our company is a premier company specializing in a wide range of event decor and management services. Renowned for its creativity and attention to detail, the company has carved out a niche in the Indian event industry by offering comprehensive solutions that cater to weddings, corporate events, government functions, and more. With a deep understanding of cultural nuances and a commitment to excellence, Shangar Decor Limited transforms ordinary spaces into extraordinary experiences, leaving a lasting impression on clients and their guests.

For further details, please refer to the chapter titled 'Business Overview' beginning on page 63 of this Letter of Offer.

PROMOTER OF OUR COMPANY

As of the date of this Draft Letter of Offer, the Promoter of our Company are Mr. Samirbhai Rasiklal Shah, Mrs. Parul Samir Shah, Mr. Moulin Samir Shah and Mr. Sahil S Shah.

For further details, please refer to section titled '*Our promoter*' beginning on page 85 of this Draft Letter of Offer.

OBJECTS OF THE ISSUE

The details of Issue Proceeds are set forth in the following table:

Particulars	Amount (₹ in Lakhs)
Gross Proceeds from the Issue#*	4935.33
Less: Estimated Issue related Expenses*	25.00
Net Proceeds from the Issue	4910.33

*Subject to the finalization of the basis of Allotment and the allotment of the Rights Equity Shares. The amount utilized towards general corporate purposes shall not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds.

#Rounded off to two decimal places.

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

Sr. No.	Particulars	Amount (₹ in Lakhs)
1	Working Capital requirement	3781.50
2	General Corporate Purposes#@	1128.83
Total Net Proceeds@		4910.33

In an event of any under-utilization of funds from the aforesaid stated objects of the Issue, the Company shall have the liberty to utilize the said balance fund for General Corporate Purpose, which shall not, in any event, exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds (inclusive of the fund requirement for General Corporate Purpose);

@Assuming full subscription in this Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.

The issue size will not exceed ₹ 4935.33 lakhs if there is any deduction on account of or at the time of finalisation of issue price and Rights Entitlements Ratio the same will be adjusted against the amount for General Corporate Purpose.

For further details, please refer to the chapter titled '**Objects of the Issue**' beginning on page 46 of this Letter of Offer.

SUBSCRIPTION TO THE ISSUE BY OUR PROMOTER

The Promoters of our Company have, vide their letters dated 3rd September, 2024 ("Subscription Letters") indicated that they will not subscribe fully to their portion of right entitlement. Further, the promoter has confirmed that do not intend to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any).

Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

As such, other than meeting the requirements indicated in the chapter titled "Objects of the Issue" at page 46 of this Draft Letter of Offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares.

Further, with respect to the Minimum subscription, this is to submit that the objects of the Issue are meeting the Working Capital Requirements and General Corporate Purpose, and do not involve financing of capital expenditure for a project, However, our promoter has confirmed that they will not subscribe fully to their portion of right entitlement. Accordingly, in terms of Regulation 86 of the SEBI ICDR Regulations, our Company would require to achieve minimum subscription of at least 90% of the issue.

FINANCIAL INFORMATION

The following table sets forth the summary of the financial information derived from the Audited Standalone Financial Statements for the Financial Years ended on March 31, 2024 and March 31, 2023 and Unaudited Financial Results for the Six Months ended 30th September 2024

(₹ in Lakhs)

Particulars	Unaudited Financial Results	Audited Financial Statements for the period ending	
	Six Months ended 30 th September 2024	F.Y. 2023-24	F.Y. 2022-23
Equity Share Capital	612.02	612.02	612.02
Net-Worth	824.64	737.07	661.82
Total Income	529.13	1299.41	966.72
Profit/ (loss) after tax (excluding comprehensive income/ (loss))	87.56	75.26	20.19
Basic EPS	0.72	0.61	0.17
Diluted EPS	0.72	0.61	0.17
Net asset value per Equity Share	6.74	6.02	5.41
Total borrowings (Including current and non-current borrowings)	923.40	847.49	981.08

For further details, please refer to section titled '**Financial Information**' beginning on page 98 of this Draft Letter of Offer.

AUDITOR QUALIFICATIONS

For details on auditor qualifications, please refer to the section titled '**Financial Information**' beginning on page 98 of this Letter of Offer.

OUTSTANDING LITIGATIONS

A summary of outstanding legal proceedings as of the date of this Letter of Offer as disclosed in the section titled '**Outstanding Litigations, Defaults and Material Developments**' in terms of the SEBI (ICDR) Regulations and the Materiality Policy is provided below.

As on date of this Letter of Offer, except as stated in this Letter of Offer there are no litigations or proceedings subsisting or existing by or against the Company, Directors, Promoter, summary of outstanding litigation proceedings involving our Company, Directors, and Promoter, is specified as below:

Nature of Entity	Criminal Proceedings	Civil Proceedings	Tax Proceedings	Statutory regulatory proceedings	Disciplinary actions by SEBI or BSE	Aggregate amount involved (₹ in Lakhs)
Company						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	4	Nil	Nil	104.70*
Directors						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoter						
By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoter	Nil	Nil	Nil	Nil	Nil	Nil

* Excluding amount of interest. Out of 4 litigation 1 litigation is related to TDS for which appeal is already filed and remaining 3 are relating to Income Tax for which company is in process to file rectification application.

For further details, please refer to section titled '**Outstanding Litigations, Defaults and Material Developments**' beginning on page 157 of this Letter of Offer.

RISK FACTORS

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares, material litigations that impacts the business of the Company, and other economic factors, please refer to the section titled '**Risk Factors**' beginning on page 20 of this Letter of Offer.

CONTINGENT LIABILITIES

As on date of this Letter of Offer, there are no contingent liabilities as per Ind AS – 37 Provisions and contingent liabilities of our Company.

For details of the contingent liabilities, as reported in the Audited Financial Statements, please refer to the section titled '**Financial Information**' beginning on page 98 of this Draft Letter of Offer.

RELATED PARTY TRANSACTIONS

There are related party transactions as per Ind AS – 24 Related Party Disclosures, read with SEBI (ICDR) Regulations for the Financial Year ended March 31, 2024 and March 31, 2023 as per the audited financial statements.

(Amount in Lakhs)

Name of Related Parties	Nature of Transactions	FY 2023-24	FY 2022-23
Samir R. Shah	Salary	9.00	9.00
Saumil S. Shah	Salary	10.40	10.40
Manish Shrichand Bachani	Sitting Fees	0.18	0.00
Ms. Chinu Kalal	Sitting Fees	0.18	0.00
Mr. Maulin Shah	Repayment of Loan	0.99	0.00

For details of the Related Party Transactions, as reported in Audited Financial Statements, please refer to the section titled '*Financial Information*' beginning on page 98 of this Letter of Offer.

FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoter, Directors, and their relatives have financed the purchase by any other person of Equity Shares other than in the normal course of the business of the financing entity during the period of 6 (Six) months immediately preceding the date of this Letter of Offer.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR PRECEDING THE DATE OF FILING OF THIS DRAFT LETTER OF OFFER

Our Company has not issued any Equity Shares for consideration other than cash in the 1 (One) year preceding the date of this Letter of Offer.

SECTION III – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors, uncertainties, and all other information described in this Letter of Offer, in conjunction with ‘**Industry Overview**’, ‘**Business Overview**’, ‘**Financial Statements**’, ‘**Management’s Discussion and Analysis of Financial Condition and Results of Operations**’, and ‘**Key Industry Regulations and Policies**’ beginning on pages 55, 63, 98, 143, and 167 respectively in this Letter of Offer, before making an investment in our Equity Shares.

The risks described in this section are those that we consider to be the most significant and material to our business, financial condition, results of operations, and cash flows as of the date of this Letter of Offer. We have described the risks and uncertainties that we currently believe to be material, but the risks set out in this section may not be exhaustive, and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, occur, our business, financial condition, and results of operations could suffer, and the trading price and the value of your investment in, our Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision with respect to this Issue, you must rely on your examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial, and legal advisors about the consequences of an investment in our Equity Shares and its impact on you.

In making an investment decision, prospective investors must rely on their own examinations of us and the terms of the Offer, including the merits and risks involved. Prospective investors should consult their tax, financial and legal advisors about the consequences they could encounter in investing in the Equity Shares.

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements because of certain factors, including the considerations described below and elsewhere in this Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to ‘we’, ‘us’, and ‘our’ refers to our Company.

INTERNAL RISK FACTOR

- The Registered Office and Godown of our Company is located/ carried on land parcels that are not owned by us and are held by us on a leasehold/ rental basis. In the event we lose or are unable to renew such leasehold rights, our business, results of operations, financial condition and cash flows may be adversely affected.***

As of the date of this Letter of Offer, Registered Office and Godown of our Company are held on a leasehold/Rental basis. Set out in the table below are details of the address of our Registered Office and Godown, taken on lease/Rental:

Sr. No.	Particulars of Property	Address	Lessee	Lessor	Rental (₹ in Lakhs)	Validity of Agreement
1	Registered Office of our company	4 Sharad Flats Opp-Dharnidhar Temple, Ahmedabad-380007, Gujarat, India	Shangar Decor Limited	Sameer Rasiklal Shah	₹0.5 Lakhs p.m.	11 months and 29 days beginning from 1 st September, 2024, further extended with mutual consent

Sr. No.	Particulars of Property	Address	Lessee	Lessor	Rental (₹ in Lakhs)	Validity of Agreement
2	Godown of our Company	Survey No. 1138, Mouje Juni Vanzar, Near Vanzar Patia, Sarkjej-Dhoka Road, Bakrol, Ahmedabad-382210, Gujarat, India	Shangar Decor Limited	Shaileshbhai Bharwad and Sureshbhai Bharwad	₹0.6 Lakhs p.m.	11 months and 29 days beginning from 1 st September, 2024, further extended with mutual consent

We cannot assure you that we will be able to renew our leases on commercially acceptable terms, or at all. In the event that we are required to vacate the aforesaid leased premises, we would be required to make alternative arrangements and we cannot assure that the new arrangements will be on commercially acceptable terms. Further, since the registered office of our Company is taken on lease, any negative set-back could materially adversely affect our business, results of operations, financial condition, cash flows and prospects. If we are required to relocate our business operations, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

- Our insurance coverage does not adequately protect us against losses (including damages or loss caused to the Products), and successful claims against us that exceed our insurance coverage could harm our results of operations and diminish our financial position.***

Our insurance policies, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. In addition, there are various types of risks and losses for which we do not maintain insurance, such as losses due to business interruption, losses in transit, natural disasters etc. because they are either uninsurable or because insurance is not available to us on acceptable terms. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, future financial performance and results of operations.

- Our Decoration and Event Business are seasonal or cyclic in nature and expose us to various risk which consequently affects our business if we fails in dealing with the same.***

A seasonal business is one that is only open during certain times of the year i.e. business that produces a high concentration of its revenue in a single season. Our decoration Business is produces revenue only 4- 5 months in a year, whereas the Event business is also cyclic in nature which exposes us to financial risk. We have to make a year's worth of money in that short period of time. We are also exposed to Human Resource risk as at the time of season we need to hire the employees and labour for every season.

- We are exposed to casualty that may occur during the course of Events.***

Our company is engaged in the business of providing its clients decor related services that range from Pre-wedding events, Theme wedding, corporate events, religious events, Property decor, Lights decor, and exhibitions and Catering and events where it may be possibility of casualty at events i.e. fire, rain, damage of property etc. during the course of events which may affect the successful completion of event and entails reputational loss to our Company and ultimately affect our financial growth.

- M/s Shangar Events – a Proprietorship Concern of Mr. Samir Rasiklal Shah – a Managing Director and Promotor of our Company, operate a similar line of business as us, which may lead to real or potential conflicts of interest with our business.***

Proprietorship Concern of Mr. Samir Rasiklal Shah- M/s Shangar Events is involved in similar line of business which may impact our business, financial condition and results of operations.

The interests of our Promoter may also conflict in material aspects with our interests or the interests of our shareholders. The interests of our Promoter may conflict with the interests of our other Shareholders and our Promoter may, for business considerations or otherwise, cause our Company to take actions, or refrain from taking actions, in order to benefit themselves instead of our Company's interests or the interests of its other Shareholders and which may be harmful to our Company's interests or the interests of our other Shareholders, which may impact our business, financial condition and results of operations.

6. *We do not maintain long-term contracts with our third-party suppliers, and our business may be adversely affected by a shortfall in supply, or increase in price of materials.*

Our company is Our company is engaged in the business of providing its clients decor related services that range from Pre-wedding events, Theme wedding, corporate events, religious events, Property decor, Lights decor, and exhibitions and Catering. We provide the best-in-class service to our clients along with the utmost quality and safety precautions.. All these services are on short term period, for further details, see chapter “Our Business” page 63 of this letter of offer. We do not have any long-term supply contracts with any of our specific suppliers with respect to our material requirements and typically place orders with them in advance of our anticipated requirements. All our products manufactured by third party manufacturers and we don’t have any control on the manufacturing process and quality and hygiene. So, the products sold by us may be subject to deficiencies and inferior quality. Due to absence of any long-term supply contracts we have to purchase the products at the prevailing pricing which may be affected by price rise of raw materials, labour costs, transportation costs and manufacturing expenses which are passed on to us by way of increased prices. Due to this our margins may be affected adversely. Any significant change in the cost structure or disruption in supply may affect the pricing and supply of products. If we are not able to increase our product prices to offset increased material costs, or if unit volume sales are significantly reduced, it could have an adverse impact on our profitability. This may adversely affect our business and financial performance.

7. *Our Company has not entered into any long-term contracts with our distributors/customers and we typically operate on the basis of orders received on hand. Inability to maintain regular order flow would adversely impact our revenues and profitability.*

We have not entered into any fixed contracts with our distributors/customers and we cater to them on an order-by-order basis. As a result, our distributors/customers can terminate their relationships with us without any prior notice and, without consequence, which could materially and adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand for our products. Our Company’s distributors/customers have no obligation to place order with us and may either cancel, reduce or delay orders. The orders placed by our Company’s distributors/customers are dependent on factors such as the customer satisfaction, quality consistency, fluctuation in demand for our Company’s products and customer’s inventory management. Although we place a strong emphasis on quality, pricing and timely delivery of our products, personal interaction by the top management with the distributors/customers, etc., in the absence of contracts, any sudden change in the buying pattern of buyers could adversely affect the business and the profitability of our Company.

8. *Major portion of our revenue is derived from a limited number of customers. Any failure to retain one or more of our customers or any disruption of sale of our product will have an adverse effect on our financial performance and results of operations.*

We are significantly dependent on certain key customers for a significant portion of our sales, the loss of any one of our key customers for any reason could have an adverse effect on our business, results of operations and financial condition. While we strive to maintain good relations with our key customers, there is no assurance that our key customers will continue to place similar orders with us in the future. In addition to these external factors, these key customers may also set off any payment obligations, require indemnification for themselves or their affiliates, replace us with our competitors, or replace their existing products with alternative products which we do not supply. Therefore, there can be no assurance that we will not lose all or a portion of sales to these key customers, or that we will be able to offset any

reduction of prices to these customers with reductions in our costs or by obtaining new customers. We may continue to remain dependent upon our key customers for a substantial portion of our revenues. Further, the deterioration of the financial condition or business prospects of these customers could reduce their requirement for our products and result in a significant decrease in the revenues we derive from these customers. In the event of our failure to retain one or more of our key customers, it will have an adverse effect on our financial performance and result of operations.

9. *We are dependent on certain suppliers and customers for procurement and sale of our services. Any disruption in supply or offtake from such entities may affect our business operations.*

We are dependent on our top 5 customers. Our top five customers contributed 30.57% of our sales during the financial year 2023-24. Whereas our top five suppliers contributed 45.11% of our total purchase during the financial year 2023-24. Any disruption of supply of raw materials from our top 5 suppliers or loss of any of our top 5 customers will adversely affect our operations and financial position. We procure our goods / services from various suppliers. We believe that the quality of products supplied, the transparent pricing, locational advantage, etc. are some of the major reasons, our Company prefers to procure our goods / services from these key suppliers. However, we have not entered into any formal agreement with these key suppliers. Also, the fact that we are so heavily dependent on these suppliers, exposes us indirectly to the risks that these suppliers face. Any failure of the suppliers to deliver these material in the necessary quantities or to adhere to delivery schedules or specified quality standards and specifications would adversely affect our business operations and our ability to deliver orders on time and at the desired level of quality. Further any deterioration in the financial condition or business prospects of these suppliers could reduce their ability to meet our requirements and which may result in delay of supply of our services. As a result, we may lose customers and incur liabilities for failure to execute orders, which could have a material adverse effect on our business, financial condition and results of operations and accordingly result in a significant decrease in our revenues.

10. *Our business operations are majorly concentrated in certain geographical regions and any adverse developments affecting our operations in these regions could have a significant impact on our revenue and results of operations.*

The operations of the Company are carried in the state of Gujarat. Due to the geographical concentration of our major clients, our operations are susceptible to local, regional and environmental factors, such as social and civil unrest, regional conflicts, civil disturbances, economic and weather conditions, natural disasters, demographic and population changes, and other unforeseen events and circumstances. Such disruptions could result in the damage or destruction of a significant portion of our manufacturing abilities, significant delays in the transport of our products and raw materials, loss of key managerial personnel, and/or otherwise adversely affect our business, financial condition and results of operations. In addition, we generate major domestic sales through our customers situated in Gujarat. Such geographical concentration of our business in this region heightens our exposure to adverse developments related to competition as well as economic and demographic changes in this region, which may adversely affect our business prospects, financial conditions and result of operations. Further, as we enter into new markets and geographical areas, we are likely to compete with not only national players, but also the local players, who might have an established local presence, and are more familiar with local business practices and have stronger relationships with local distributors, dealers, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into other areas may adversely affect our business prospects, financial conditions and results of operations. While our management believes that the Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we face and should not rely on our results of operations for any prior periods as an indication of our future performance.

11. *Adverse publicity regarding our services could negatively impact us.*

Adverse publicity regarding any of our services marketed or sold by others could negatively affect us. If any studies raise or substantiate concerns regarding the efficacy or safety of our services or other concerns, our reputation could be harmed and demand for our products could diminish, which could have a material adverse effect on growth in new customers and sales of our product, leading to a decline in revenues, cash collections, and ultimately our ability to meet operating cash flow requirements.

12. *We are subject to competition from both organized and unorganized players in the market, which may significantly affect the fixation and realisation of the price for our services, which may adversely affect our business operation and financial condition.*

The market for our products is competitive on account of existence of both the organized and unorganized players. Competition occurs generally on the key attributes such as quality of products, distribution network, pricing and timely delivery. Some of our competitors have longer industry experience and greater financial, technical and other resources, which may enable them to adopt faster in changing market scenario and remain competitive. Moreover, the unorganized sector can offer their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition. We operate in a rapidly consolidating industry. The strength of combined companies could affect our competitive position in all of our business areas. Furthermore, if one of our competitors or their customers acquires any of our customers or suppliers, we may lose business from the customer or lose a supplier, which may adversely affect our business, results of operations and financial condition.

13. *Delays or defaults in client payments could affect our operations.*


We may be subject to working capital risks due to delays or defaults in payment by clients, which may restrict our ability to make payments when due to our Creditors. In addition, any delay or failure on our part to services, within the time stipulated by our agreements, to our customers may in turn cause delay in payment or refusal of payment by the customer. Such defaults/delays by our customers in meeting their payment obligations to us may have a material effect on our business, financial condition and results of operations.

14. *We have entered into and will continue to enter into related party transactions. We cannot assure you that such transactions will not have an adverse impact on our business, financial condition, cash flows and results of operations.*

We have entered into various related party transactions in the past. For further details of the related party transactions, see “ Financial Statements ” on page 98. While we believe that all our related party transactions have been conducted on an arm’s length basis, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. It is possible that we may enter into related party transactions in the future. We cannot assure you that such future transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition, cash flows and results of operations or that we could not have achieved more favorable terms if such future transactions had not been entered into with related parties. Further, any future transactions with our related parties could potentially involve conflicts of interest which may be detrimental to our Company.

15. *If we are unable to protect our intellectual property, or if we inadvertently infringe the intellectual property rights of others, our business, financial condition, cash flows and results of operations may be adversely affected.*



The trademark  Shangar Decor Limited, which we are using for our business, is not registered with Trademark Authorities. We have applied for registration with Authorities for registering its Trademark, vide application number 6606732 under class 41. The current status of Trademark is Formalities Chk Pass. We are unable to comment on the confirmity of grant of registration of our applied mark. We may be subjected to opposition or any remarks

from Authority, which may leave our brand and business name open for competition with same brand name by competitors or third parties. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. Any litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property. For further details on above and other trademarks, please refer to chapter titled “Business Overview” beginning on page 63 of this letter of offer.

16. We are highly dependent on our Promoter and our management team and key personnel and the loss of any key team member may adversely affect our business performance.

Our Promoter, management team, and key personnel have been instrumental in the growth and development of our Company. Our management team comprises our Managing Director Mr. Samirbhai Rasiklal Shah, our Executive Director and Chief Financial Officer Mr. Samirbhai Rasiklal Shah. In particular, the active involvement of our management team and key personnel in our operations, including through strategy, direction, and relationships have been integral to our development and business. The loss of any of these persons would have a material adverse effect on our operations. Our businesses are dependent upon a core and senior management team which oversees the day-to-day operations, strategy and growth of our business. Our success is largely dependent on our management team which ensures the implementation of our strategy. If one or more members of our key management team were unable or unwilling to continue in their present positions, such persons would be difficult to replace and our business, results of operations, financial condition, cash flows and prospects could be adversely affected. Our future success, amongst other factors, will depend on our ability to continue to attract and retain qualified personnel, particularly persons with critical expertise, know-how and skills that are capable of helping us to strategize, and develop our business and various business vertical products. Our failure to successfully manage our personnel needs could materially and adversely affect our business, results of operations, financial condition and cash flows. Moreover, if any of our key professional employees were to join an existing competitor or form a competing company or otherwise leave, it could lead to setbacks in the implementation of our plans and strategy. Our failure to successfully manage our employees’ needs could materially adversely affect our business, results of operations, financial condition, cash flows and prospects. If we are not able to address these risks, our business, results of operations, financial condition and cash flows could be adversely affected.

17. We have experienced negative cash flows in prior years

As per our Audited Standalone Financial Statements, our Company has experienced negative cash flow for the Financial Years ended on March 31, 2024, March 31, 2023 and Unaudited Financial results for the 6 months ended on 30th September 2024 details of which are specified as under:

(₹ in Lakhs)

Net cash inflow/ (outflow) from	Unaudited Financial results	Audited Financial Statements for the Financial Year ended March 31 st	
	6 months ended on 30 th September 2024	2024	2023
Net cash flow from Operating Activity	(121.25)	505.64	43.70
Net cash flow from Investing Activity	(109.99)	(205.15)	(378.18)
Net cash flow from Financing Activity	74.13	(138.26)	332.74

18. The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.

Since the Issue size is less than Rs. 100,00,00,000 (Rupees One Hundred Crores) there is no mandatory requirement of appointing an independent monitoring agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our

Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

19. We require certain approvals or licenses in the ordinary course of business and the failure to renew, obtain or retain them in a timely manner, or at all, may affect our operations.

We require certain statutory and regulatory approvals, licenses, registrations and permissions, and applications need to be made at the appropriate stages for our business to operate. We have obtained required license for carrying our business activity however there can be no assurance that the relevant authorities will issue these approvals or licenses, or renewals thereof in a timely manner, or at all. As a result, we may not be able to execute our business plan as planned. An inability to obtain or maintain approvals or licenses required for our operations may adversely affect our operations. Government approvals, licenses, clearances and consents are often also subject to numerous conditions, some of which are onerous and may require significant expenditure. Furthermore, approvals, licenses, clearances, and consents covering the same subject matter are often required at State Government levels. If we fail to comply, or a regulator claims that we have not complied, with these conditions, we may not be able to commence or continue with work. For further information on various approvals or licenses required in connection with our operations, please see the section entitled “Government and Other Approvals” on page no.179 of this Prospectus.

20. Our Company has availed unsecured loans, which may be recalled by them at any time and our Company may not have adequate funds to make timely payments or at all.

Our Company has availed unsecured loans. The said borrowings/ facilities availed by us from our Promoters and other parties may be recalled at any time. As of March 31, 2024, the details of outstanding amount in respect of such loans, is tabled as under:

(₹ in Lakhs)

Type of Borrowing	F.Y. 2023-24	F.Y. 2022-23
Unsecured Borrowings	808.76	938.71

Such loans may be recalled at any time. In the event that our Promoter and/ or other parties seeks repayment of any such unsecured loan, our Company may need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. As a result, any such demand may materially and adversely affect our business, results of operations, financial condition and cash flows

21. There are outstanding proceedings involving our Company which, if determined adversely, may adversely affect our business and financial condition.

We are involved in certain regulatory proceedings which may adversely affect our operations and financial position. A summary of outstanding legal proceedings involving our Company as on the date of this Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is set out below:

Nature of Entity	Criminal Proceedings	Civil Proceedings	Tax Proceedings	Statutory regulatory proceedings	Disciplinary actions by SEBI or BSE	Aggregate amount involved (₹ in Lakhs)
Company						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	4	Nil	Nil	104.70*
Directors						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil

Nature of Entity	Criminal Proceedings	Civil Proceedings	Tax Proceedings	Statutory regulatory proceedings	Disciplinary actions by SEBI or BSE	Aggregate amount involved (₹ in Lakhs)
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoter						
By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoter	Nil	Nil	Nil	Nil	Nil	Nil

* Excluding amount of interest . Out of 4 litigation 1 litigation is related to TDS for which appeal is already filed and remaining 3 are relating to Income Tax for which company is in process to file rectification application.

We are, and may in the future be, party to other litigation and regulatory proceedings, the outcome of which may affect our business, results of operations, financial condition and prospects. There can be no assurance that we will be successful in any of these legal proceedings. For further details, see “**Outstanding Litigations, Defaults and Material Developments**’ beginning on page on page 157

ISSUE SPECIFIC FACTORS

22. *Our Company will not distribute the Offer Documents to certain overseas shareholders who have not provided an address in India for service of documents.*

Our Company will dispatch the Offer Documents to such shareholders who have provided an address in India for the service of documents or who are in jurisdictions where the offer and sale of the Rights Equity Shares permitted under laws of such jurisdictions and in each case who make a request in this regard. The Offer Documents will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

23. *There is no public market for the Rights Equity Shares or Equity Shares outside India.*

After this Issue, there will continue to be no public market for our Equity Shares in the United States or any country other than India. In addition, the holders of the partly paid-up Rights Equity Shares will not be able to trade in these Equity Shares till they are credited to the holders’ account as fully paid-up, and thereafter there will also be no public market for the Rights Equity Shares outside of India. We cannot assure you that the face value of the Rights Equity Shares will correspond to the price at which the Rights Equity Shares will trade subsequent to this Issue. This may also affect the liquidity of our Rights Equity Shares and Equity Shares and restrict your ability to sell them.

24. *Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.*

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity

Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for dilution of your percentage ownership of the equity share capital of our Company that may be caused because of the Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation (the last day for which is Friday, 29th November, 2024), such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements.

25. *SEBI has recently, by way of Rights Issue Circulars streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Letter of Offer.*

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Rights Issue Circulars and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see '*Terms of the Issue*' on page 173 of this Letter of Offer.

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely being Shangar Decor Limited- RE Account) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to:

- Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
- Equity Shares held in the account of IEPF authority; or
- The demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit or credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or
- Equity Shares held by Eligible Equity Shareholders holding Equity Shares in the physical form on the Record Date the details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or
- Credit of the Rights Entitlements returned/reversed/failed; or
- The ownership of the Equity Shares currently under dispute, including any court proceedings.

26. *Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.*

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future;

27. *Investors shall not have the option to receive Rights Equity Shares in physical form.*

In accordance with the provisions of Regulation 77A of the SEBI (ICDR) Regulations read with SEBI Rights Issue Circular, the credit of Rights Entitlement and Allotment of Rights Equity Shares shall be made in dematerialised form only. Investors will not have the option of getting the allotment of Equity Shares in physical form.

28. *The Rights Entitlement of Physical Equity Shareholders may lapse in case they fail to furnish the details of their demat account to the Registrar.*

In accordance with the SEBI Circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020', the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Equity Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Equity Shareholders are requested to furnish the details of their demat account to the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least 1 (One) day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 03, 2018 issued by the SEBI, with effect from April 01, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares). For further details, please refer to the section titled '*Terms of the Issue*' on page 173 of this Letter of Offer.

29. *Our ability to pay dividends in the future will depend on our future earnings, cash flows, working capital requirements, capital expenditures and financial condition. Investors of Rights Equity Shares are only entitled to dividend in proportion to the amount paid up and the voting rights (exercisable on a poll by investors) shall also be proportional to such investor's share of the paid-up Equity Share capital of our Company.*

The amount of our future dividend payments, if any, will depend on various factors such as our future earnings, cash flows, financial condition, working capital requirements, capital expenditures and in accordance with applicable laws. We may decide to retain all our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on the Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or the dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

Further, with respect to the present Issue, investors are only entitled to dividend in proportion to the amount paid-up and the voting rights (exercisable on a poll by investors) shall also be proportional to such investor's share of the paid-up Equity Share capital of our Company.

30. *You may be subject to Indian taxes arising out of capital gains on the sale of the Rights Equity Shares and Rights Entitlement.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realised on the sale of listed equity shares on the Stock Exchanges held for more than 12 (Twelve) months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of Securities Transaction Tax, on the sale of any Equity Shares held for more than 12 (Twelve) months immediately preceding the date of transfer. Securities Transaction Tax will be levied on the seller and/or the purchaser of the Equity Shares and collected by the domestic stock exchange on which the Equity Shares are sold. Further, any capital gains realised on the sale of listed equity shares held for a period of 12 (Twelve) months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India as well as Securities Transaction Tax.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident read with the Multilateral Instrument, if and to the extent applicable, and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may

be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. No dividend distribution tax is required to be paid in respect of dividends declared, distributed, or paid by a domestic company after March 31, 2020, and, accordingly, such dividends would not be exempt in the hands of the Shareholders, both for residents as well as non-residents. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident Shareholder for the purposes of deducting tax at source pursuant to any corporate action, including dividends.

Similarly, any business income realised from the transfer of equity shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller. Additionally, in terms of the Finance Act, 2018, which has been notified on March 29, 2018 with effect from April 1, 2018, taxes payable by an assessee on the capital gains arising from transfer of long-term capital assets (introduced as Section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed ₹1.00 Lakh (Rupees One Lakh), subject to certain exceptions in case of resident individuals and Hindu Undivided Families.

Further, the Finance Act, 2019 made various amendments in the taxation laws and clarified that, in the absence of a specific provision under an agreement, the buyer will be liable to pay stamp duty in case of sale of securities through the Stock Exchanges, while the transferor will be liable to pay stamp duty in other cases of transfer for consideration through a depository. The stamp duty for transfer of securities other than debentures, on a delivery basis, is specified at 0.015% (Zero Point Zero One Five Percent) and on a non-delivery basis is specified at 0.003% (Zero Point Zero Zero Three Percent) of the consideration amount. These amendments came into effect from July 1, 2020.

31. *You may not receive the Equity Shares that you subscribe in the Issue until 15 (Fifteen) days after the date on which this Issue closes, which will subject you to market risk.*

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 (Fifteen) days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time, subjecting you to market risk for such period.

32. *Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.*

In terms of the SEBI (ICDR) Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political, or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares.

The Applicants shall not have the right to withdraw their Applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Rights Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

33. *Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.*

Under the Companies Act, any Company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

34. *There is no guarantee that our Right Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.*

In accordance with applicable laws and regulations and the requirements of the BSE Limited, in principle and final approvals for listing and trading of the Rights Equity Shares issued pursuant to this Issue will not be applied for or granted until after the Rights Equity Shares have been issued and allotted. Approval for listing and trading will require all the relevant documents authorising the issuance of Rights Equity Shares to be submitted. Accordingly, there could be a delay in listing the Rights Equity Shares on the BSE Limited. If there is a delay in obtaining such approvals, we may not be able to credit the Rights Equity Shares allotted to the Investors to their depository participant accounts or assure ownership of such Rights Equity Shares by the Investors in any manner promptly after the Issue Closing Date. In any such event, the ownership of the Investors over Rights Equity Shares allotted to them and their ability to dispose of any such Equity Shares may be restricted. For further information on issue procedure, please refer to the section titled *'Terms of the Issue'* beginning on page 173 of this Draft Letter of Offer.

35. *No market for the Right Entitlements may develop and the price of the Right Entitlements may be volatile.*

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchanges during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Rights Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchanges, the trading of Rights Equity Shares may not track the trading of Equity Shares. The trading price of the Rights Entitlements may be subject to greater price fluctuations than that of the Equity Shares.

We will not distribute the Issue Materials to overseas Shareholders who have not provided an address in India for service of documents. We will dispatch the Issue Materials to the shareholders who have provided an address in India for service of documents. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act and the rules made thereunder with respect to distribution of Issue Materials in overseas jurisdiction where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

36. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.*

On listing, our Equity Shares will be quoted in Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

37. *Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.*

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a Company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian Company than as shareholder of a corporation in another jurisdiction.

38. *SEBI operates an index-based market-wide circuit breaker. Any operation of a circuit breaker may adversely affect a shareholder's ability to sell, or the price at which it can sell, our Equity Shares at a particular point in time.*

We are subject to an index-based market-wide circuit breaker generally imposed by SEBI on Indian stock exchanges. This may be triggered by an extremely high degree of volatility in the market activity (among other things). Due to the existence of this circuit breaker, there can be no assurance that shareholders will be able to sell our Equity Shares at their preferred price or at all at any particular point in time.

39. *Investors in the Rights Equity Shares may not be able to enforce a judgment of a foreign court against us or our management, except by way of a suit in India on such judgment.*

We are a limited liability company incorporated under the laws of India and majority of our directors and all executive officers are residents of India. It may be difficult for the investors to affect service of process upon us or such persons outside India or to enforce judgments obtained in courts outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, Singapore, Hong Kong, and the United Arab Emirates. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908. Judgments or decrees from jurisdictions, which do not have reciprocal recognition with India, cannot be executed in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us or our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within 3 (Three) years of obtaining such final judgment in the same manner as any other suit filed to enforce a civil liability in India. If, and to the extent that, an Indian court were of the opinion that fairness and good faith so required, it would, under current practice, give binding effect to the final judgment that had been rendered in the non-reciprocating territory, unless such a judgment contravenes principles of public policy in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required

to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of such a judgment.

EXTERNAL RISK FACTORS:

40. *The outbreak of Novel Coronavirus, or outbreak of any other severe communicable disease could have a potential impact on our business, financial condition, and results of operations.*

The outbreak, or threatened outbreak, of any severe epidemic caused due to viruses (particularly the Novel Coronavirus) could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our customers and suppliers, which could adversely affect our business, financial condition and results of operations. The outbreak of Novel Coronavirus has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines, shelter in place orders, and shutdowns. These measures have impacted and may further impact our workforce and operations, the operations of our customers, and those of our respective vendors and suppliers. There is currently substantial medical uncertainty regarding Novel Coronavirus. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of Novel Coronavirus remain uncertain and could be severe. Our ability to meet our ongoing disclosure obligations might be adversely affected, despite our best efforts. If any of our employees were suspected of contracting Novel Coronavirus or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general. The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of Novel Coronavirus will cause an economic slowdown and it is possible that it could cause a global recession. The spread of Novel Coronavirus has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed. The extent to which the Novel Coronavirus further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. We are still assessing our business operations and system supports and the impact Novel Coronavirus may have on our results and financial condition, but there can be no assurance that this analysis will enable us to avoid part or all of any impact from the spread of Novel Coronavirus or its consequences, including downturns in business sentiment generally or in our sector in particular. The degree to which Novel Coronavirus impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions taken to contain the outbreak or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, environmental harm, and loss of life, injuries and impact the wellbeing of our people. Further in case the lockdown is extended, it could result in muted economic growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect the business, prospects, results of operations and financial condition of our Company.

41. *Significant differences exist between Ind AS, Indian GAAP and other accounting principles, such as US GAAP and International Financial Reporting Standards ('IFRS'), which investors may be more familiar with and consider material to their assessment of our financial condition.*

The Financial Statements of our Company for the Financial Year ending March 31, 2024, March 31, 2023 have been prepared in accordance with the Ind AS, the Companies Act, 2013.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Letter of Offer, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Financial Information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian GAAP and the SEBI (ICDR) Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

42. *Political, economic, or other factors that are beyond our control may have adversely affect our business and results of operations.*

The Indian economy is influenced by economic developments in other countries. These factors could depress economic activity which could have an adverse effect on our business, financial condition, and results of operations. Any financial disruption could have an adverse effect on our business and future financial performance. We are dependent on domestic, regional, and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional, and global economies. Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, and volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

43. *A slowdown in economic growth in India could cause our business to suffer.*

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- Any increase in Indian interest rates or inflation;
- Any scarcity of credit or other financing in India;
- Prevailing income conditions among Indian consumers and Indian corporations;
- Changes in India's tax, trade, fiscal or monetary policies;
- Political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- Prevailing regional or global economic conditions; and
- Other significant regulatory or economic developments in or affecting India.

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

44. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects, and results of operations.*

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results

of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. The Government of India has issued a notification dated September 29, 2016, notifying Income Computation and Disclosure Standards (hereinafter referred to as 'ICDS'), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition. The General Anti Avoidance Rules (hereinafter referred to as 'GAAR') have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us. A comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future. Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

45. *Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.*

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition. The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world

could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. There are concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance, and the trading price of the Equity Shares.

46. *Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.*

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

47. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.*

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition. Further, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

48. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social,

economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

49. *We are subject to regulatory, economic, social, and political uncertainties and other factors beyond our control.*

We are incorporated in India and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance will be affected by interest rates, government policies, taxation, social and ethnic instability, and other political and economic developments affecting India.

50. *Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.*

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition. The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe, and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and directly or indirectly, adversely affect the Indian economy and financial sector and its business. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition, and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. There are concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance, and the trading price of the Equity Shares.

SECTION IV – INTRODUCTION

THE ISSUE

This Issue has been authorized by way of a resolution passed by our Board of Directors on 3rd day of September, 2024, in pursuance of Section 62 of the Companies Act, 2013.

The following is a summary of the Issue, which should be read in conjunction with, and is qualified in its entirety by, more detailed information in '*Terms of the Issue*' on page 173 of this Letter of Offer.

Equity Shares outstanding prior to the Issue	1,22,40,400 Equity Shares;	
Rights Equity Shares offered in the Issue	Up to 8,56,82,800 Rights Equity Shares; *	
Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	9,79,23,200 Equity Shares;	
Rights Entitlement	7 (Seven) Equity Share for every 1 (One) Equity Share held on the Record Date;	
Record Date	Monday, 28 th October, 2024	
Face Value per Equity Share	₹5.00/- (Rupees Five Only) each;	
Issue Price per Equity Share	Rs. 5.76/- per Rights Equity Share .	
Issue Size	Up to ₹ 4935.33 Lakhs	
Terms of the Issue	Please refer to the section titled ' <i>Terms of the Issue</i> ' beginning on page 173 of this Letter of Offer;	
Use of Issue Proceeds	Please refer to the section titled ' <i>Objects of the Issue</i> ' beginning on page 46 of this Letter of Offer;	
Security Code/ Scrip Details	ISIN	INE118R01024
	BSE Scrip ID	SHANGAR
	BSE Scrip Code	540259
	ISIN for Rights Entitlements	INE118R20016

TERMS OF PAYMENT

The full amount of Issue Price Rs. 5.76/- per Rights Equity Share is payable on Application.

ISSUE SCHEDULE

Issue Opening Date	Friday, 8th November, 2024
Last date for On Market Renunciation of Rights	Friday, 29 th November, 2024
Issue Closing Date	Friday, 6th December, 2024

GENERAL INFORMATION

Our Company was incorporated on November 16, 1995 as a public Limited company. The Company made a public offer of its Equity Capital in May 1996 on Stock Exchange of India Limited and Direct Listed its equity shares on BSE in January 23, 2017. The Equity capital was initially listed on the BSE Limited.

REGISTERED OFFICE

Company	Shangar Decor Limited
Registered Office Address	4 Sharad Flats Opp-Dharnidhar, Temple, Ahmedabad-380007, Gujarat, India.
Contact Number	+91 9825023622
Email-ID	moulinshah@shangardecor.com
Website	www.shangardecor.com
Corporate Identification Number	L36998GJ1995PLC028139

ADDRESS OF THE REGISTRAR OF COMPANIES

Registrar of Companies, Gujarat, Ahmedabad

The Company having registered office at Ahmedabad from. Current address of the ROC is ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat, India

BOARD OF DIRECTORS

Name	Age	Designation	DIN	Address
Samirbhai Rasiklal Shah	70	Managing Director	00787630	6, Kalrav Yogeshwar Nagar Society, Paldi, Ahmedabad-380007, Gujarat, India
Saumil Shrenikbhai Shah	47	Director & CFO	01601299	12, Gyandeeep Society, Paldi, Dhumketu Road, Ahmedabad-380007, Gujarat, India
Moulin Samir Shah	39	Non -Executive Director	08948652	6, Kalrav Yogeshwar Nagar Society, Paldi, Ahmedabad-380007, Gujarat, India
Bhavinkumar Arvinkumar Patel	36	Non-Executive Independent Director	06604431	31, Ashirvad Park, Dasaj Road, Unjha-384170, Gujarat, India
Aanal Milankumar Satyawadi	33	Non-Executive Independent Director	07381381	C-904, Shreeji Towers, Opp. Himalaya Mall, 2 nd Cross Street Kalaimagal Nagar 1 st Main Road Ek, Chennai-600032, India

For further details of our Board of Directors, please refer to the section titled '*Our Management*' beginning on page 85 of this Letter of Offer.

COMPANY SECRETARY AND COMPLIANCE OFFICER	CHIEF FINANCIAL OFFICER
<p>Ms. Shubhangi Chourasia Address: 4 Sharad Flats Opp-Dharnidhar Temple, Ahmedabad-380007, Gujarat, India. Contact Number: :- +91 9825023622 Email: shangardecorltd@hotmail.com</p>	<p>Mr. Saumil Shrenikbhai Shah Address: 4 Sharad Flats Opp-Dharnidhar Temple, Ahmedabad-380007, Gujarat, India Contact Number: +91 9825023622 Email-ID:- moulinshah@shangardecor.com</p>

STATUTORY AUDITORS	
<p>M/s S.D. Mehta & Co., Address: 1601, 16th Floor, Himalaya Business Centre, B/H BRTS Bus Stand, Nr. RTO Circle, 132 FT Ring Road, Ahmedabad-380027, Gujarat, India Peer Review Number: 016093 Firm Registration Number: 137193W Contact Person: Mr. Shaishav Mehta Membership Number: 032891 Contact Number: +91-079-2754 1742, 079-29911742/9327610273 E-mail ID: info@sdmca.in</p>	
REGISTRAR TO THE COMPANY	REGISTRAR TO THE ISSUE
<p>Purva Sharegistry (India) Private Limited Address: Unit no. 9, Shiv Shakti Ind. Estt. J. R. Boricha Marg, Lower Parel (E), Mumbai-400 011, Maharashtra Contact Number: +91 22 4961 4132; E-mail ID: support@purvashare.com; Website: www.purvashare.com Contact Person: Deepali Dhuri, Compliance Officer; SEBI Registration Number: INRO00001112; Corporate Identification Number: U67120MH1993PTC074079;</p>	<p>Purva Sharegistry (India) Private Limited Address: Unit no. 9, Shiv Shakti Ind. Estt. J. R. Boricha Marg, Lower Parel (E), Mumbai-400 011, Maharashtra Contact Number: +91 22 4961 4132; E-mail ID: support@purvashare.com; Website: www.purvashare.com Contact Person: Deepali Dhuri, Compliance Officer; SEBI Registration Number: INRO00001112; Corporate Identification Number: U67120MH1993PTC074079;</p>
LEGAL ADVISOR TO THE ISSUE	BANKER TO THE ISSUE AND REFUND BANKER
<p>Mauleen N. Marfatia Address: 1222, 12th Floor, I-Square, Next to Shukan Mall, Science City Road, Ahmedabad-380060, Gujarat, India Contact Number: +91 98989 17167 E-mail ID: mauleenmarfatia9898@gmail.com Contact Person: Mr. Mauleen Marfatia</p>	<p>Name: Kotak Mahindra Bank Limited Address: Kotak Infiniti, 6th Floor, Building No. 21, Infinity Park, Off Western Express Highway, General AK Vaidya Marg, Malad (East), Mumbai-400 097, Maharashtra, India Contact Number: 022-66056603 E-mail: cmsipo@kotak.com Website: www.kotak.com Contact Person: Mr. Siddhesh Shirodkar SEBI Registration No.: INBI00000927</p>

INVESTOR GRIEVANCES

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Issue Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please refer to the section titled '*Terms of the Issue*' beginning on page 173 of this Letter of Offer.

EXPERT TO THE ISSUE

Except as stated below, our Company has not obtained any expert opinions.

Our Company has received a written consent dated 3rd September, 2024, from its Statutory Auditor, M/s S.D. Mehta & Co., Chartered Accountants, holding a valid peer review certificate from ICAI bearing no. 016093, to include their name as required under Section 26(5) of the Companies Act in this Letter of Offer/Draft Letter of Offer as an 'expert', as defined under Section 2(38) of the Companies Act, to the extent and in their capacity as statutory auditor of our Company and in respect of their reports on the Audited Financial Statements and the statement of special tax benefits and such consent has not been withdrawn as on the date of this Letter of Offer.

SELF-CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and

updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

ISSUE SCHEDULE

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Last Date for credit of Rights Entitlements	Friday, 8 th November, 2024
Issue Opening Date	Friday, 8 th November, 2024
Last Date for On Market Renunciation of Rights Entitlements#	Friday, 29 th November, 2024
Issue Closing Date*	Friday, 6 th December, 2024
Finalization of Basis of Allotment (on or about)	Thursday, 12 th December, 2024
Date of Allotment (on or about)	Thursday, 12 th December, 2024
Date of credit (on or about)	Thursday, 19 th December, 2024
Date of listing/ Trading (on or about)	Tuesday, 24 th December, 2024

Note:

#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date;

**Our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

The above schedule is indicative and does not constitute any obligation on our Company.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., Friday, 6th December, 2024 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 (One) day before the Issue Closing Date, i.e., Friday, 6th December, 2024 .

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, or the Registrar will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Application Forms, please refer to the section titled '**Terms of the Issue**' beginning on page 173 of this Letter of Offer. Please note that if no Application is made by the Eligible Equity Shareholders and Eligible Employees of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the amount paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Rights Shares offered under Rights Issue for subscribing to the Rights Shares offered under Issue. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders and Eligible Employees on the website of the Registrar at www.purvashare.com after keying in their respective details along with other security control measures implemented there at. For further details, please refer to the paragraph titled see 'Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders' under the section titled '**Terms of the Issue**' beginning on page 173 of this Letter of Offer.

STATEMENT OF RESPONSIBILITIES

Not Applicable.

REGISTERED BROKERS

In accordance with SEBI circulars bearing reference numbers CIR/CFD/14/2012 dated October 04,2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10,2015, Applicants can submit Application Forms with the Registered Brokers at the Broker Centers, CDPs at Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone

numbers, are available at the websites of the BSE accessible at www.bseindia.com respectively, as updated from time to time.

REGISTRAR AND SHARE TRANSFER AGENTS

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of BSE Limited at <https://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6>, as updated from time to time.

COLLECTING DEPOSITORY PARTICIPANTS

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of BSE Limited.

CREDIT RATING

As this proposed Issue is of Rights Shares, the appointment of a credit rating agency is not required.

DEBENTURE TRUSTEE

As this proposed Issue is of Rights Shares, the appointment of debenture trustee is not required.

MONITORING AGENCY

Since the Issue size does not exceed ₹100,00,00,000 (Rupees One Hundred Crores), there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI (ICDR) Regulation.

APPRAISING ENTITY

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

UNDERWRITING

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

CHANGES IN THE AUDITORS DURING THE LAST 3 (THREE) FINANCIAL YEARS

During the 3 (Three) Financial Years immediately preceding the date of this Draft Letter of Offer M/s S.D. Mehta & Co., were appointed as the statutory auditor of the company for a period of five consecutive i.e., 1st April, 2019 to 31st March, 2024.

FILING

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 w.e.f. September 28, 2020, has amended Regulation 3 (b) of the SEBI (ICDR) Regulations as per which the threshold of the rights issue size under Regulation 3 of the SEBI (ICDR) Regulations has been increased from ₹ 10,00,00,000.00/- (Rupees Ten Crores Only) to ₹ 50,00,00,000.00/- (Rupees Fifty Crores Only). Since the size of this Issue falls under the said threshold, the Letter of Offer had been filed with the BSE and will not be filed with SEBI.

MINIMUM SUBSCRIPTION

The objects of the Issue are meeting the Working Capital Requirements and General Corporate Purpose, and do not involve financing of capital expenditure for a project. However, our promoter has indicated that he will not subscribe fully to their portion of right entitlement. Accordingly, in terms of Regulation 86(1) of the SEBI ICDR Regulations, the requirement of minimum subscription is applicable to the Issue.

If our Company does not receive the minimum subscription of at least 90% of the Equity Shares being offered under this Issue, on an aggregate basis, of the Issue Size, or the subscription level falls below 90% of the Issue Size, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is any delay in the refund of the subscription amount beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period, at such rates as prescribed under the applicable laws.

CAPITAL STRUCTURE

The capital structure of our Company and related information as on date of this Letter of Offer, prior to and after the proposed Issue, is set forth below:

Particulars	Aggregate Nominal Value (₹in Lakhs)	Aggregate Value at Issue Price (₹in Lakhs)
Authorized Equity Share capital		
Equity Shares of Re.5/- (Rupee Five Only) each	Rs. 5,000	-
Issued, subscribed and paid-up Equity Share capital before this Issue		
1,22,40,400 (One Crores Twnty Two Lakhs Forty Thousand) Equity Shares of Rs. 5/- (Rupee Five Only) each	Rs. 612.02	-
Present Issue in terms of this Letter of Offer^{(a) (b)}		
8,56,82,800 Issue of Rights Equity Shares, each at a premium of ₹0.76/- (Rupees Seventy-Six Paise Only per Rights Equity Share, at an Issue Price of ₹5.76/- (Rupees Five and Seventy-Six Paise Only) per Rights Equity Share	₹4284.14	₹4935.33
Issued, subscribed and paid-up Equity Share capital after the Issue¹		
9,79,23,200 Equity Shares	₹4896.16 /-	
Securities premium account		
Before the Issue	0	
After Rights Issue	₹651.19/-	
After all Calls made in respect of Rights Shares	₹651.19 /-	

Notes:

- (a) The present Issue has been authorized by the Board of Directors of the Company by a resolution passed in its meeting held on 3rd September, 2024;
- (b) Assuming full subscription and receipt of monies with respect to Rights Shares;
- (c) Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses;

NOTES TO THE CAPITAL STRUCTURE

- The Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer.
- At any given time, there shall be only one denomination of the Equity Shares.
- Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
- As on the date of this Letter of Offer, our Company has not issued any special voting Rights Shares and there are no outstanding Equity Shares having special voting rights.
- The ex-rights price arrived in accordance with the formula prescribed Regulation 10 (4) (b) of the SEBI (SAST) Regulations, in connection with the Issue is ₹ 8.76 (Rupees Eight and Seventy-Six Paise Only).
- Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares

As on the date of this Draft Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares;

7. Details of stock option scheme of our Company

As on the date of this Letter of Offer, our Company does not have a stock option scheme.

8. Details of Equity Shares held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares

S.N.	Name of Promotor	Entity Type	No. of Equity Shares	Details of Lock in period	Details pledge of and encumbrance
1	Late Vipul Jagdishchandra Shah	Promotor Group	11,45,000	NA	NA
2	Parul Samir Shah	Promoter	8,25,200	NA	NA
3	Saumil Shrenikbhai Shah	Promoter Group	5,70,000	NA	NA
4	Samirbhai Rasiklal Shah	Promoter	1,93,988	NA	NA
5	Himani Moulin Shah	Promoter Group	25,200	NA	NA
6	Moulin Samir Shah	Promoter	25,200	NA	NA
7	Sahil S Shah	Promoter	25,200	NA	NA

9. Details of Equity Shares acquired by the Promoter and promoter group in the last one year prior to the filing of this Draft Letter of Offer

The Promoter and Promoter Group of the Company have not acquired any Equity Shares in the last one year prior to the filing of this Letter of Offer.

10. Intention and extent of participation by the promoter and promoter group

The Promoter of our Company have, vide their letters dated 3rd September, 2024 ("Subscription Letters") indicated that they will not subscribe fully to their portion of right entitlement. Further, the promoter has confirmed that do not intend to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any).

Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

As such, other than meeting the requirements indicated in the chapter titled "Objects of the Issue" at page 46 of this Letter of Offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares.

Further, with respect to the Minimum subscription, this is to submit that the objects of the Issue are meeting the Working Capital Requirements and General Corporate Purpose, and do not involve financing of capital expenditure for a project, However, our promoter has confirmed that they will not subscribe fully to their portion of right entitlement. Accordingly, in terms of Regulation 86 of the SEBI ICDR Regulations, our Company would require to achieve minimum subscription of at least 90% of the issue.

11. Shareholding Pattern of our Company as per the last filing made with BSE Limited in compliance with the provisions of SEBI (LODR) Regulations

The shareholding pattern of our Company as on September 30, 2024, i.e., per the last filing with BSE Limited in compliance with the provisions of SEBI (LODR) Regulations, which can be accessed on its website is specifically mentioned as follows:

Particulars of Statement showing shareholding pattern of	URL of BSE Limited's Website
The Company	https://www.bseindia.com/stock-share-price/shangar-decor-ltd/shangar/540259/shareholding-pattern/
The Promoter and Promoter Group	https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?sc_ripcd=540259&qtrid=123.01&QtrName=30-Sep-24

Particulars of Statement showing shareholding pattern of	URL of BSE Limited's Website
The Public shareholder	https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=540259&qtrid=123.01&QtrName=30-Sep-24 Hyperlink reference not valid.
The Non-Promoter – Non Public shareholder	https://www.bseindia.com/corporates/shpNonProPublic.aspx?scripcd=540259&qtrid=123.01&QtrName=30-Sep-24
Disclosure by Trading Members (TM) holding 1.00% (One Percent) or more of the Total number of Equity Shares	https://www.bseindia.com/corporates/shpdrPercent.aspx?scripcd=540259&qtrid=123.01&CompName=Shangar%20Decor%20Ltd&QtrName=30-Sep-24&Type=TM
Statement showing foreign ownership limits	https://www.bseindia.com/corporates/shpforeignownership.aspx?scripcd=540259&qtrid=123.01&QtrName=30-Sep-24

Details of Public shareholders holding more than 1.00% of the pre-Issue paid up capital of our Company as on date of this Draft Letter of Offer:

Category of shareholder	No. of shareholders	No. of fully paid-up Equity Shares held	Total no. Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
Individual	6	10,75,103	1,22,40,400	8.78%	10,75,103	8.78%	10,75,103
Body Corporate	3	5,95,447		4.86%	5,95,447	4.86%	5,95,447

SECTION V – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The Company proposes to utilize the net proceeds from the issue towards funding the following objects:

1. Working capital requirement;
2. General Corporate Purpose;
3. To meet Issue Expenses.

The main object clause of the Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of memorandum of Association.

ISSUE PROCEEDS

The details of Issue Proceeds are set forth in the following table:

Particulars	Amount (₹ in Lakhs)
Gross Proceeds from the Issue#	4935.33
Less: Estimated Issue related Expenses	25.00
Net Proceeds from the Issue	4910.33

Notes: The amount utilized towards general corporate purposes shall not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds.

#Rounded off to two decimal places.

REQUIREMENT OF FUNDS AND UTILISATION OF NET PROCEEDS

The intended use of the Net Proceeds of the Issue by the Company is set forth in the following table:

Sr. No.	Particulars	Amount (₹ in Lakhs)
1.	Working Capital requirement	3781.50
2.	General Corporate Purposes#	1128.83
Total Net Proceeds@		4910.33

In an event of any under-utilization of funds from the aforesaid stated objects of the Issue, the Company shall have the liberty to utilize the said balance fund for General Corporate Purpose, which shall not, in any event, exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds (inclusive of the fund requirement for General Corporate Purpose);

@Assuming full subscription in this Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio and to be finalized on determination of Issue Price.

The issue size will not exceed ₹ 4935.33 lakhs if there is any deduction on account of or at the time of finalisation of issue price and Rights Entitlements Ratio the same will be adjusted against the amount for General Corporate Purpose.

MEANS OF FINANCE

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75.00% (Seventy-Five Percent) of the stated means of finance for the aforesaid object, excluding the amount to be raised from the Issue.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan and management estimates, and other commercial factors. However, such fund requirements and deployment of funds have not been appraised by any bank or financial institution.

This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the fund requirements described herein.

DETAILS OF THE OBJECTS OF THE ISSUE

The details in relation to objects of the Issue are set forth herein below:

Our Company has agreed to use the issue Proceeds, the details of which are specified as under:

1. Working capital purposes.

Our business is predominantly working capital intensive. Presently, we fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals. We operate in a highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, our fund requirements may also change.

The details of estimation of our working capital requirement for the Six Months ended September, 30, 2024 and Financial Years ended March 31, 2023, March 31, 2024 and the projected estimates for the Financial Year ending March 31, 2025 is provided in the table below:

Particulars	Rs. In Lakhs			
	31-03-2023 (Audited)	31-03-2024 (Audited)	30-09-2024 (Unaudited)	31-03-2025 (Projected)
Cash & Bank Balance	24.08	186.32	29.20	48.16
Sundry Debtors	670.98	985.27	960.00	2,963.57
Inventory	261.28	208.92	183.25	2,032.16
Other Current Assets and Short Term Loans and Advances	142.20	153.62	172.53	1,111.80
Total Current Assets	1,098.54	1,534.13	1,344.98	6,155.70
Sundry Creditors	610.54	1,083.40	773.13	1,430.98
Provisions and other current liability	11.23	104.82	98.90	288.02
Total Current Liabilities	621.77	1,188.22	872.03	1,719.00
Working Capital Gap	476.77	345.91	472.95	4,436.69
Source of Working Capital				
Proceeds from Right Issue	-	-	-	3,781.50
Short Term Borrowings	-	-	-	-
Internal Accrual	476.77	345.91	472.95	655.19
Total	476.77	345.91	472.95	4,436.69

Holding Period

Particulars	31-03-2023	31-03-2024	30-09-2024	31-03-2025
Trade Receivables Holding period (Months)	8.34	9.10	3.63	3.50
Trade Payables for expenses Holding Period (Months)	3.15	7.83	2.26	2.60
Short Term Loans and Advances and other current assets(Months)	5.41	3.46	5.24	2.02
Other Current Liabilities and provisions (Months)	0.14	0.97	0.37	0.34
Inventory Holding Period (Months)	4.01	2.44	1.14	2.96

Assumption for Working Capital requirements

Particulars	Assumptions made and justification
Current Assets	
Trade Receivables Holding Period	In financial year 2022-23, Holding period of Trade Receivables is 8.34 months whereas in financial year 2023-24 and for the 6 months ended September 30, 2024 our Trade Receivables holding period was 9.10 months and 3.63 months respectively. We are estimating to maintain the Trade Receivables holding period at levels of 3.50 months for financial year 2024-25 as per our credit policy and current market condition.

Short Term Loans and Advances and other current assets(Months)	In financial year 2022-23 Holding period of Short Term Loans and Advances and other current assets is 5.41 months whereas in financial year 2023-24 and for the 6 months ended September 30, 2024 it is 3.46 months and 5.24 months respectively. We are estimating to maintain the Short Term Loans and Advances and other current assets holding period at levels of 2.02 months for financial year 2024-25 as per current market condition.
Inventory Holding Period (Months)	In financial year 2022-23 Holding period of Inventory is 4.01 months whereas in financial year 2023-24 and for the 6 months ended September 30, 2024 it is 2.44 months and 1.14 months respectively. We are estimating to maintain the Short Term Loans and Advances and other current assets holding period at levels of 2.96 months for financial year 2024-25 as per current market condition.
Current Liabilities	
Trade Payables for expense Holding period	In financial year 2022-23 Holding period of Trade Payable is 3.15 months whereas in financial year 2023-24 and for the 6 months ended September 30, 2024 our Trade Payable holding period was 7.83 months 2.26 months respectively. We are estimating to maintain the Trade Payable holding period at levels of 2.60 months for financial year 2024-25 as per our agreed terms and current market condition.
Other Current Liabilities and provisions (Months)	In financial year 2022-23 holding period of Other Current Liabilities and provisions is 0.14 months whereas in financial year 2023-24 and for the 6 months ended September 30, 2024 our Other Current Liabilities and provisions holding period was 0.97 months and 0.37 months respectively. We are estimating to maintain the Other Current Liabilities and provisions holding period at levels of 0.34 months for financial year 2024-25 as per our agreed terms and current market condition.

2. General Corporate Purposes

The Net Proceeds will first be utilized for the Objects as set out above. Subject to this, our Company intends to deploy balance left out of the Net Proceeds, aggregating to ₹ 1128.83 Lakhs, towards general corporate purposes and the business requirements of our Company as approved by the management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds from the Issue, in compliance with the SEBI (ICDR) Regulations. Such general corporate purposes may include, but are not restricted to, (i) strategic initiatives; (ii) funding growth opportunities; (iii) strengthening marketing capabilities and brand building exercises; (iv) meeting ongoing general corporate contingencies; (v) expenses incurred in ordinary course of business; and (vi) any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act.

The quantum of utilization of funds towards any of the above purposes will be determined based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Board will have flexibility in utilizing surplus amounts, if any.

3. Expenses for the Issue

The Issue related expenses consist of fees payable to the Legal Counsel, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Shares on BSE Limited.

Activity	Estimated Expense (₹ in Lakhs)	% of Estimated Issue Size Expenses	% of Estimated Issue Size
Fees of the Bankers to the Issue, Registrar to the Issue, Legal Advisor, Auditor's fees, including out of pocket expenses etc.	4.52	18.08%	0.09%
Expenses relating to advertising, printing, distribution, marketing and stationery expenses.	8.88	35.52%	0.18%
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	11.60	46.40%	0.24%

Activity	Estimated Expense (₹ in Lakhs)	% of Estimated Issue Size Expenses	% of Estimated Issue Size
Total estimated Issue expenses*	25.00	100.00%	0.51%

* Subject to finalization of Basis of Allotment and actual Allotment.

Our Company shall endeavour to utilize the proceeds raised from such calls within the same Financial Year as the receipt of the said call monies, failing which our Company shall utilize the said call monies in the subsequent Financial Years or by the re-payment dates as described in the *'Objects of the Issue'*.

SOURCES OF FINANCING OF FUNDS ALREADY DEPLOYED

As on date, our Company has not deployed any funds towards *'Objects of the Issue'*.

APPRAISAL OF THE OBJECTS

None of the Objects of the Issue for which the Net Proceeds will be utilized have been appraised by any bank or financial institution.

STRATEGIC AND/ OR FINANCIAL PARTNERS

There are no strategic and financial partners to the objects of the issue.

BRIDGE FINANCING FACILITIES

Our Company have not raised or availed any bridge financing facilities for meeting the expenses as stated under the Objects of the Issue.

INTERIM USE OF FUNDS

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or make any such investment as may be allowed by SEBI from time to time.

MONITORING OF UTILIZATION OF FUNDS

Since the proceeds from this Issue are less than ₹10,000.00 Lakhs (Rupees One Hundred Crores), in terms of Regulation 82 of the SEBI (ICDR) Regulations, our Company is not required to appoint a monitoring agency for this Issue. However, as per SEBI (LODR) Regulation, the Audit Committee would be monitoring the utilization of the proceeds of the Issue. The Company will disclose the utilization of the Issue Proceeds under a separate head in the balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Financial Statements of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from BSE.

As per the requirements of Regulations 18 of the SEBI (LODR) Regulations, we will disclose to the Audit Committee the uses/ applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in the Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by our Auditor.

Pursuant to Regulation 32 of the SEBI (LODR) Regulation, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Regulation 32 of the SEBI (LODR) Regulation, the Company shall furnish to BSE, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

VARIATION IN OBJECTS

In accordance with applicable provisions of the Companies Act, 2013 and applicable rules, except in circumstances of business exigencies, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the *'Postal Ballot Notice'*) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where the Registered Office is situated.

KEY INDUSTRY REGULATIONS FOR THE OBJECTS OF THE ISSUE

No additional provisions of any acts, regulations, rules, and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

INTEREST OF PROMOTER, PROMOTER GROUP AND DIRECTORS, AS APPLICABLE TO THE OBJECTS OF THE ISSUE

The Promoters of our Company through their letter dated 3rd September, 2024, has not undertaken to subscribe, in part or in full extent of his Rights Entitlement among themselves subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR.

OTHER CONFIRMATIONS

Except disclosed above, there is no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoter, Directors or Key Management Personnel of our Company and no part of the Net Proceeds will be paid as consideration to any of them. Except disclosed above, none of our Promoter, members of Promoter Group or Directors are interested in the Objects of the Issue. No part of the proceeds from the Issue will be paid by the Company as consideration to our directors, or Key Managerial Personnel. Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

STATEMENT OF TAX BENEFITS



✉ info@sdmca.in

To,
Board of Directors
Shangar Decor Limited
CIN: L36998GJ1995PLC028139
4 Sharad Flats Opp-Dharnidhar Temple,
Ahmedabad-380007, Gujarat, India

Dear Sir/ Ma'am,

**Statement of possible special tax benefits available for the Proposed rights
Subject: issue of Equity Shares of Shangar Decor Limited and its Eligible Equity
Shareholders under the direct and indirect tax laws**

The preparation of the Statement is the responsibility of the management of the Company for the 'Issue', including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

We have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI.

The Company has requested us to confirm statement attached in the Annexure I and II, are available to the Company and its shareholders.

We refer to the proposed right issue of equity shares of Shangar Decor Limited ('Company'). We enclose herewith the statement showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the Indian direct and indirect tax laws including the Income Tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 ('Indirect Tax'), applicable for the Financial Year ending March 31, 2025, relevant to the assessment year ending March 31, 2026, presently in force in India ('Tax Laws'). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.



📍 1601, 16th Floor, Himalaya Business Center, B/H BRTS Bus Stand,
Nr. RTO Cricle, 132 ft Ring Road, Ahmedabad - 380027
☎ 079-2754 1742, 079-29911742, 9327610273 🌐 www.sdmca.in

The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that these Annexures are only intended to provide information to the investors and are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed rights issue.

We do not express any opinion or provide any assurance as to whether:

1. The Company or its shareholders will continue to obtain these benefits in future;
2. The conditions prescribed for availing the benefits have been / would be met with; and
3. The revenue authorities/courts will concur with the views expressed herein.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We hereby consent to the extracts of this certificate being used in the Draft Letter of Offer/ Letter of Offer of the Company in connection with the Issue or in any other documents in connection with the Issue, and the submission of this certificate as may be necessary, to any regulatory authority and / or for the records to be maintained by the in connection with the Issue and in accordance with applicable law, and for the purpose of any defense the may wish to advance in any claim or proceeding in connection with the contents of the Offer Documents.

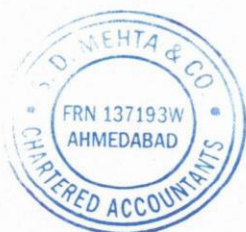
This certificate may also be relied upon by the Company and the legal counsel in relation to the Issue.

The above certificate shall not be used for any other purpose without our prior consent in writing and we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Yours faithfully,
For, S.D. Mehta & Co.,
Chartered Accountants,
FRN No. 137193W



Shaishav Mehta
Partner
Mem. No.: 032891
UDIN: 24032891BKAGAK9431



Date: 3rd September, 2024
Place: Ahmedabad

ANNEXURE I

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO SHANGAR DECOR LIMITED ('COMPANY') AND ITS SHAREHOLDERS

1. Under the Income Tax Act, 1961 ('Act')

a. Special tax benefits available to the Company under the Act

There are no special tax benefits available to the Company.

b. Special tax benefits available to the shareholders under the Act

There are no special tax benefits available to the shareholders of the Company.

Notes

1. The statement of tax benefits enumerated above is as per the Direct Tax including amendments as set out in the Finance Act 2024.
2. The above statement is based upon the provisions of the specified Direct Tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure;
3. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company;
4. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile;
5. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes;



ANNEXURE II

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO SHANGAR DECOR LIMITED ('COMPANY') AND ITS SHAREHOLDERS

1. Under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively referred to as 'Indirect Tax')

a) Special tax benefits available to the Company under the Indirect Tax

There are no special indirect tax benefits available to the Company.

b) Special tax benefits available to the shareholders under the Indirect Tax

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the share of the Company.

Notes

1. The statement of tax benefits enumerated above is as per the Indirect Tax including amendments as set out in the Finance Act 2024.
2. The above statement covers only above-mentioned Indirect Tax laws benefits and does not cover any direct tax law benefits or benefit under any other law;
3. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice;
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes;



SECTION VI – ABOUT THE COMPANY

INDUSTRY OVERVIEW

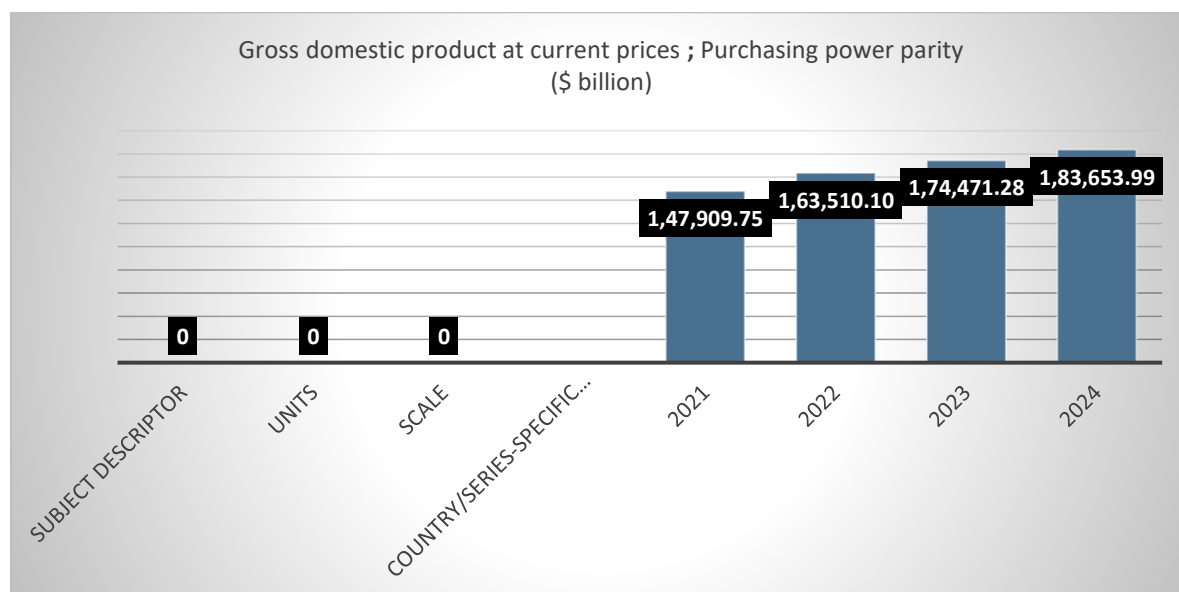
The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we, nor any of our or their respective affiliates or advisors nor any other person connected with Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Before deciding to invest in the Equity Shares, prospective investors should read this entire letter of offer, including the information in the sections 'Risk Factors' and 'Financial Information' on pages 20 and 98 respectively, of this Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' on page 20 of this Letter of Offer. Accordingly, investment decisions should not be based on such information.

Macro Overview Of Global GDP

The 2020 Covid-19 pandemic crisis had an effect on growth, and the world economy shrank by 3.3% and went into recession as a result. For nearly all of 2020 and parts of 2021, the pandemic brought the economy to a complete halt. Even after the pandemic receded, the conflict between Russia and Ukraine, the US economy's slump, and issues with the global supply chain made recovery even more difficult. Following the recent economic shocks, the world has started to recover. In 2023, economists predict that the global economy will rise by 3.0%. The IMF estimates that the global slowdown peaked in 2022 and that until 2028, the globe would likely experience a modest growth of around 3% annually.

Emerging markets and developing economies will drive global growth, with developed economies—particularly the UK and the Eurozone—growing only at 0.4% and 0.9%, respectively, in 2023. The Eurozone is expected to experience the biggest effects on growth due to its proximity to the conflict area and greater susceptibility to changes in energy prices.

Emerging markets and developing economies are expected to expand at a rate of 4.0% in 2023 when measured against the growth of the global GDP.



(Source-

https://www.imf.org/en/Publications/WEO/weodatabase/2023/April/weoreport?a=1&c=001,110,163,119,123,998,510,200,505,903,205,400,603,&s=NGDP_RPCHMK,&sy=2021&ey=2028&ssm=0&scsm=1&sc=0&ssd=1&ssc=0&sic=0&sort=country&ds=.&br=1)

Outlook on Advanced Economies

USA is facing an estimated growth rate of 1.8% in 2023 over the previous year which witnessed a 2.1% growth. The economy is witnessing a resilience in consumer demands and industrial production which drives the expansion of the economy. The country is slowly easing out of inflation, which peaked to ~8% in 2022. The inflation has been steadily falling ever since, with the country witnessing lower CPI% at 4.5%, a first post pandemic. CPI eased majorly due to fall in energy prices, but other goods in the CPI basket appear to be impacted as well. But this is still higher than the Federal committees' target of 2% inflation over the long term. The US Federal Open Market Committee meeting of July 2023 indicated a below trend GDP growth and softening of labor markets are required to balance supply and demand and to ease inflation. This indicates possible continuing of the rate hike trend. However, the hiking of rates from 2022 also led to added stress on the country's financial systems, indicated by the recent collapse of Silicon Valley 112 Bank. So, the economy is on a delicate balance between increasing rates to rein in inflation, while ensuring absorbable stress on the banking sector. UK is facing slower growth rates and the country's growth is projected to witness a marginal growth of 0.4% in the current year. While the economy appeared to be on a path of recovery after a growth of 4.1% in 2022, the high inflation level of 9% in 2022 forced the Bank of England to tighten the policy measures by increasing interest rates. While the market also witnesses higher wages, the pressure it exerts on inflation is gradually expected to come down with loosening of labor markets. Japan is projected to grow at 1.4% driven by domestic demand and retail demand due to pick-up of tourism post pandemic. The country is witnessing reduction in exports due to weak global demand and hence the lower than global growth rate.

Outlook on Emerging Economies

China's economy is facing a slowdown post the pandemic recovery, primarily due to slowing of manufacturing output and decreased domestic demand. Potential for increased exports from the country will also be limited due to slow down in advanced economies such as USA and UK. According to IMF, the country is expected to remain as one of the fastest growing economies in the Asia region in the current year, contributing to ~35% of global growth. However, the economy is expected to slow down in the future due to inherent demographic characteristics and a drag in productivity. Russian economy faced contraction in 2022 due to wartime sanctions and higher focus on military spends. While EU has stopped the import of oil from Russia, the country has diverted production to other economies. Despite oil revenues, growth will slow down due to continuing global sanctions. Brazil has had faster-than-expected GDP growth due to agricultural expansion, despite a slowdown in the services sector, which accounts for 70% of GDP, and underperformance in the industrial sector. The Central Bank of Brazil has been raising interest rates to control inflation, which has so far had no effect on consumer spending due to a solid labour market. However, the job market's continuous expansion is not projected to continue, which will have an influence on consumer spending, and growth rates are expected to decline.

Macroeconomic Overview of India

Strong economic growth in the first quarter of F.Y. 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Real GDP at constant prices in the second quarter of 2022-23 is estimated at US\$ 1.94 trillion (Rs. 160.06 trillion), showing a growth of 7.2% as compared to the First Revised Estimates of GDP for the year 2021-22 of US\$ 1.81 trillion (Rs. 149.26 trillion), indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022-2023. In F.Y.2021-22, India's service exports stood at US\$ 254.4 billion. Furthermore, India's overall exports (services and merchandise) was estimated at US\$ 770.18 billion in F.Y.2022-23. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand over the period of April-December 2022. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's appeal as a destination for investments has grown stronger and more sustainable as a result of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

India's nominal gross domestic product (GDP) at current prices is estimated to be at US\$ 3.31 trillion (Rs. 272.41 trillion) in F.Y. 2021-22. Additionally, the Nominal GDP at current prices in Q3 of 2022-23 was US\$ 874.84 billion (Rs. 71.82 trillion), as against US\$ 792.3 billion (Rs. 65.05 trillion) in 2021-22, estimating a growth of 10.4%. With 115 unicorns valued at more than US\$ 350 billion, as of February 2023, India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at US\$ 1.3 billion, 0.2% of GDP in the fourth quarter of F.Y.2022-23.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US\$ 1 trillion by 2030. (Source- <https://www.ibef.org/economy/indian-economy-overview>).

Overview of Decoration and Event Management Industry

The event management industry in India has witnessed significant growth, driven by the increasing demand for corporate events, weddings, entertainment shows, and government functions. According to a report by KPMG, the Indian event management industry was valued at approximately INR 10,000 crore in 2022, with an expected Compound Annual Growth Rate (CAGR) of 20% over the next five years. This growth trajectory is fueled by rising consumer expectations, technological advancements, and a greater emphasis on experience-driven events. The industry's strong growth potential positions it as a critical sector within India's service industry, contributing substantially to employment and revenue generation.

1. Wedding Decor Segment

The wedding decor market is an integral part of the larger event management industry. India, renowned for its grand and elaborate weddings, accounts for one of the largest wedding markets globally, estimated to be worth over USD 50 billion. Event decor, particularly for weddings, plays a crucial role, contributing 15-20% of the total wedding expenditure. This includes everything from floral arrangements, lighting, mandaps (wedding stages), and bespoke decor that aligns with the cultural and traditional themes preferred by Indian clients. As weddings become increasingly opulent, this segment continues to thrive, with strong growth prospects expected to follow the overall expansion of the wedding industry.

2. Key Growth Drivers

➤ Rising Disposable Incomes

India's burgeoning middle and upper-middle class, characterized by increased disposable income, is one of the most significant growth drivers for the event management industry. According to Statista, India's per capita income has seen consistent growth, translating into higher consumer spending on social and corporate events, particularly weddings, social gatherings, and personal milestones. This surge in disposable incomes has not only led to increased spending on larger-

scale events but also a growing demand for luxury and premium event decor services, helping fuel the industry's expansion.

➤ **Corporate Sector Expansion**

The corporate event management segment is emerging as another major growth driver. India's corporate landscape has witnessed rapid expansion, with businesses placing greater emphasis on brand-building, employee engagement, and networking through events such as product launches, conferences, seminars, and team-building exercises. According to a FICCI-EY report, corporate spending on events is expected to grow at a CAGR of 15%, driven by increased marketing budgets and the need to create unique brand experiences. As companies look to make a lasting impression, event decor plays a pivotal role in elevating the overall ambiance of corporate gatherings, making it a key investment area.

3. Industry Trends

➤ **Personalization and Customization**

Modern clients increasingly prefer personalized event decor, tailored to reflect their individual tastes, values, and cultural backgrounds. A survey by the Event Management Association of India (EMAI) found that 85% of clients actively seek bespoke decor solutions, with a focus on elements like custom lighting, thematic designs, cultural motifs, and personalized installations. This trend underscores the industry's shift towards more curated and immersive experiences, where event decor goes beyond aesthetics to create meaningful connections with attendees.

➤ **Sustainability**

As awareness around environmental issues continues to rise, sustainability has become a key trend in the event management industry. According to the CII-IGBC (Indian Green Building Council), demand for eco-friendly decor options has increased by 30% over the past three years. Clients are opting for sustainable materials such as biodegradable products, recycled paper, and eco-friendly lighting solutions. Many event companies are incorporating green practices like minimal waste generation, energy-efficient setups, and reusable decor elements to align with client preferences for eco-conscious events. This trend is not only helping reduce the environmental impact of large events but is also adding a unique selling point for businesses focusing on sustainability.

4. Challenges and Opportunities

➤ **Competition**

The event management industry in India is highly fragmented, with over 10,000 players ranging from small local businesses to large-scale, established event management companies. According to the India Brand Equity Foundation (IBEF), the competitive landscape makes it challenging for smaller players to establish a foothold, especially when competing with larger firms that can offer end-to-end solutions. However, the fragmented nature of the industry also presents opportunities for consolidation and specialization. Companies that can carve out niche services or cater to specific segments like luxury weddings or eco-friendly events have significant potential to grow.

➤ **Seasonality**

Seasonality poses a challenge for event management businesses, particularly those specializing in decor. According to ASSOCHAM, 40-50% of the sector's revenue is generated during the wedding season (November to February) and major festivals like Diwali, Eid, and Christmas. This seasonality can create cash flow challenges for businesses, requiring them to balance high-demand periods with slower months. However, this challenge also presents opportunities for diversification. Companies that can tap into corporate events, government functions, and smaller social gatherings during the off-season have the potential to maintain steady revenues throughout the year.

5. Future Prospects

➤ Untapped Markets

While the major metropolitan areas of India have been the traditional strongholds for event management businesses, Tier 2 and Tier 3 cities represent a largely untapped market with significant potential for growth. According to a study by McKinsey & Company, demand for professional event decor services in these cities is growing at an annual rate of 25%. This growth is driven by rising disposable incomes, increasing urbanization, and the growing influence of social media in shaping consumer preferences. As people in smaller cities aspire to host events on par with those in metro areas, there is a growing demand for professional decor services, creating a lucrative opportunity for expansion.

➤ Technology Integration

The integration of technology is set to revolutionize the event management industry. According to PwC, technological advancements like Artificial Intelligence (AI), Augmented Reality (AR), and Virtual Reality (VR) are transforming how events are planned, executed, and experienced. For instance, AI is being used to streamline event logistics, while AR and VR are enhancing client engagement by offering immersive experiences. The adoption of event management software, virtual tours of decor setups, and 3D visualization tools are all becoming integral to the client experience. PwC estimates that technology integration in event management will grow by 35% annually, driven by client demand for more innovative and engaging event solutions.

Conclusion:

The event management industry in India is on a strong growth trajectory, with significant opportunities for businesses that can innovate and adapt to changing client preferences. The rising disposable incomes, expansion of the corporate sector, and demand for personalized and sustainable decor offer tremendous growth potential. However, businesses must also navigate the challenges of seasonality and intense competition while exploring untapped markets and leveraging technology to stay ahead of the curve. As the industry continues to evolve, event decor companies that focus on innovation, sustainability, and client-centric solutions will be well-positioned for success.

Event Industry in India Size & Share Analysis - Growth Trends & Forecasts (2024 - 2029)

The India Events & Exhibition Market is Segmented by Type (B2B, B2C, Mixed/Hybrid), Revenue Stream (Exhibitor Fee, Sponsorship Fee, Entrance Fee, Services), End User (Consumer Goods and Retail, Automotive and Transportation, Industrial, Entertainment, Real Estate and Property, Hospitality, Healthcare, and Pharmaceutical). The Market Sizes and Forecasts are Provided in Terms of Value (USD) for all the Above Segments.



India Events & Exhibition Market Analysis

The India Event And Exhibition Market size is estimated at USD 5.23 billion in 2024, and is expected to reach USD 7.80 billion by 2029, growing at a CAGR of 8.31% during the forecast period (2024-2029).

Exhibitions and events are some of the critical enablers and triggers of the economy. With India being one of the fastest-growing economies, the government initiatives to help enterprises in different industries are expected to improve the need for events and exhibitions in the country.

India has a vast consumer market, and it offers an unparalleled opportunity for enterprises to invest and expand in the country. According to the India Brand Equity Foundation and Retailers Association of India, the retail market size across India will reach USD 1,750 billion by 2026.

Exhibitions are among some of the powerful enablers of trade and economic growth globally. Various nations in Europe and Asia used exhibitions as business platforms to propel their regions' economic development and investments. In line with India's economic development, the exhibitions industry has seen rapid growth. Today, India is one of the prime exhibition destinations globally.

Event planning goes hand in hand with the marketing efforts of the organizers. In order to do so, such event organizers charge a hefty amount from participants. Inefficient marketing may lead to lower footfall which leads to lower sales for vendors that signed up for the exhibition. Such scenarios are why organizers tend to have hefty entry fees to communicate appropriately about the exhibition.

The COVID-19 pandemic had a harsh negative impact on various industries across the country. The event and exhibition industry was no stranger to this trend. With the lockdown announcement, the sphere of outdoor entertainment came to an absolute standstill. According to the Indian Exhibitions Industry Association (IEIA), India's exhibition sector lost an estimated INR 3,570 crore.

India Events & Exhibition Market Trends

Growing Adoption of Geo-cloning for Exhibition Organizers is Expected to Drive the Market.

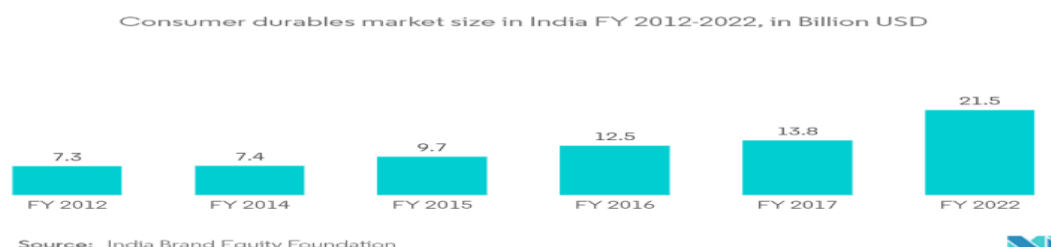
Geo-cloning for exhibition organizers involves replicating successful events in different geographic locations. This strategy is gaining traction in India as it allows organizers to capitalize on proven event formats, adapting them to various regions, thus maximizing success and audience engagement. The growing adoption of geo-cloning in the Indian market reflects a strategic approach to event planning and management, leveraging successful models for broader impact.

Geo-cloning has also become a go-to strategy for various major exhibition organizers looking to expand globally. It involves less of the risk of a brand-new launch and an existing brand reputation to use as a launchpad. Statement of intent geo-cloning has proven to be a valuable tactic.

With the growing construction, industrial manufacturing, textiles and apparel, and consumer durables market in India, various international events and exhibitions are keen on entering the country to offer their products and services, and such exhibitions are the means of networking and expansion opportunities to tie up with local vendors and distributors.

In addition, technological advancements in various industries are offering a prime opportunity for international vendors, as such events offer significant opportunities to attend and gain knowledge and adopt advanced solutions as part of their operations.

The government support for Indian event organizers involved in geo-cloning and large international conventions in the country is positively impacting growth. This involves guaranteed footfall from customers due to the brand reputation and involvement of international solutions and service providers.



(Source: <https://www.mordorintelligence.com/industry-reports/event-and-exhibition-market-india>)

The Growth of Event Management and Decoration Industry

With recent surveys confirming the growth of the event industry by 27% in India, the rate at which event managers would need can be estimated. The sector offers a splendid opportunity for neotypes to join and enjoy its various flavours. In other words, it ushers the young generation to pursue a seasoned career in the event management industry. Besides this, the sector substantiates multi-faceted reasons for its peaking revenue graph. Some of the qualitative factors behind this acceleration are as follows:

➤ **Familial Ties Getting Professional**

People today hardly have time for each other due to their high-paid corporate jobs disrupting the work-life balance. But, they are financially capable of splurging on event management services to make their dear ones happy with professionally arranged celebrations. Besides, the small family size is the reason behind the inability to distribute a private affair or social gathering. And this choice to live on one's terms and conditions eventually creates a demand for event management and planning. Moreover, these nuclear families exercise their optimal capabilities to acquire the best in the market. To accomplish this, such families capably engage the finest of the event planning services. For them, the event industry holds the talent to invigorate their societal status and prestige within their cordial circles. Thus, the trending nuclear family system boosts up event management planning to another level. It furnishes the primary rationale for this industry to stand at par with others growing businesses in the market.

➤ **Modern Business Strategies**

Every service, product, an art form, brand, and even celebration needs promotion to survive the tough competition. The outward show being indigenous to the present era plays a pivotal role in making a famous brand. In yesteryears, public events were limited to the entertainment industry, but the evolution of social media platforms has encouraged organisations to publicise their products and services in the recent past. For instance, a corporate business event, product launch, exhibition & trade-fair, press conferences, movie promotion, dealer's meeting or a music video launch program is designed to draw public attention through entertainment and hospitality.

➤ **The Need for Marketing**

Entertainment events or press conferences centred on the launch of a particular brand or its product in the market are powerful weapons to stand out from several counterparts or competitor products and services. The exclusive media attention garnered through an event cannot be acquired rapidly by any other means. This has caused business organisations and corporate giants to rely heavily on the event management industry.

➤ **Large-Scale Commercial Events**

The annual trade fairs in various states and other festive carnivals hosted by the state governments are ever-evolving. These demand massive systematic arrangements made by the event management corporations. Reality shows, beauty pageants, educational training or career counselling events – the list is never-ending. Media exposure being the ulterior motive of every occasion, has enhanced the demand for event management over the years.

➤ **Sprouting Zeal for Entertainment**

The contemporary era brims with zest and zeal when it comes to consuming engaging and entertaining services. And the event management industry catalyses this enthusiasm like no other. The industry's planning team ensures the availability of endless and life-like entertainments for its clients. This includes outstanding hospitality in terms of catering distinctive and customised service packages. In addition, services such as birthdays, anniversaries, and new year bashes or events such as weddings, baby showers, and name ceremonies, makes the industry bloom with endless pride and entertainment. In short, entertainment is one of the prominent factors for the growth of the event management industry worldwide.

➤ **Professional Services**

The event planning team puts goal-oriented efforts to ensure the provision of professional services for their clients. In addition, the industry hires trained event managers to maintain their professionalism and decor. Furthermore, this professional sensibility on the part of the industry engenders a good review from prospective stakeholders. And eventually, it receives tremendous applause and recognition for this for genuine clientele. Therefore, the growth of the event management industry substantially upon the level of professionalism it offers to its customers. Better services allow higher chances of development within the industrial market.

➤ **Flexible Clients and their Monetising Enterprises**

Yet another element that boosts the growth of the event management industry in this decade. The flexible power of the client to pay for event planning services has witnessed a recent hike. Or else put it, customers desire to flaunt their show-biz identity and are ready to pay for it without hesitation. For instance, to celebrate their annual success, a business firm throws a massive party for their employees. The reason behind this great enterprise is not only its flexibility and readiness to pay but also the monetary factor. Here, a like-minded get together among people encourages employees to work hard. In addition, it also opportunities the collaborates for re-think and re-collaborate in future. Therefore, a good event creates excellent chances for future collaborations and monetises both the industry and its stakeholders.

➤ **Transformation of Mindset**

The transformation of the consumer mindset plays an essential part in the growth of the event industry. Because people have become more comfortable with this hospitality sector, which wasn't there a few decades ago, this has subsequently advanced the development of trust and amity between event managers and the stakeholders. In addition, the customers have got so used to this system that their dependence on its services keeps accelerating with time. As a result, the event management industry forms cordial alliances with their authentic and genuine clients. This transformation of mindset paves an optimal pathway to add firmness and diligence to the industry.

(Source <https://www.naemd.com/the-growth-of-event-management-industry.html>)

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section entitled '*Forward-Looking Statements*' on page 15 of this Letter of Offer, for a discussion of the risks and uncertainties related to those statements and also the sections entitled '*Risk Factors*', '*Industry Overview*', and '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' on pages 20, 55 and 143, of this Letter of Offer, respectively, as well as financial and other information contained in this Letter of Offer as a whole, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise indicated or unless the context requires otherwise, the financial information included herein is based on our Audited Financial Statements included in this Draft Letter of Offer. For further information, see '*Financial Statement*' on page 98 of this Draft Letter of Offer.

BUSINESS OVERVIEW

Our Company, Shangar Decor Limited, was incorporated on November 16, 1995, under the Companies Act, 1956. Company has obtained the Certificate of Commencement of Business on November 17, 1995 from the Registrar of Companies, Gujarat. The CIN of our company is L36998GJ1995PLC028139. Our company is engaged in the business of providing its clients decor related services that range from Pre-wedding events, Theme wedding, corporate events, religious events, Property decor, Lights decor, and exhibitions and Catering. We provide the best-in-class service to our clients along with the utmost quality and safety precautions.

Our company is a premier company specializing in a wide range of event decor and management services. Renowned for its creativity and attention to detail, the company has carved out a niche in the Indian event industry by offering comprehensive solutions that cater to weddings, corporate events, government functions, and more. With a deep understanding of cultural nuances and a commitment to excellence, Shangar Decor Limited transforms ordinary spaces into extraordinary experiences, leaving a lasting impression on clients and their guests.

Our founder Mr. Samir Shah has around 30 years of experience in Industry and with his innovative business ideas, in-depth knowledge and excellent management skills, we have served our clients proficiently.

Our total income for the Six months ended September 30, 2024 was Rs. 529.13 Lakhs and Fiscal ended March 31, 2023, 2024 was Rs. 966.72 Lakhs, Rs.1299.41 Lakhs respectively. Our profit after tax for the Six months ended September 30, 2024 was Rs. 87.56 Lakhs and the Fiscal ended March 31, 2023, 2024 was Rs. 20.19 Lakhs, Rs. 75.26 Lakhs respectively.

Table set forth below are certain key operational and financial metrics for the periods indicated:

(Amount in Lakhs)

Particulars*	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023
Revenue from operations (₹ in lakhs)	528.91	1,298.91	965.54
Earnings before interest, depreciation, tax & amortization (EBIDTA) (₹ in lakhs)	193.92	244.24	157.39
EBIDTA margin (%)	36.66%	18.80%	16.28%
Profit before tax (PBT) (₹ in lakhs)	118.37	106.45	27.76
PBT margin (%)	22.37%	8.19%	2.87%
Profit after tax from continuing operations (PAT) (₹ in lakhs)	87.56	75.26	20.19
Profit after tax from discontinuing operations (PAT) (₹ in lakhs)	87.56	75.26	20.19
Profit after tax combined (PAT) (₹ in lakhs)	87.56	75.26	20.19

OUR CUSTOMER

Top 5 Customers contribute to 30.57% of our sales in F.Y.2023-24 and top 5 suppliers contributed 45.11% of our purchase in FY 2023-24.

The following is the breakup of the top customers/suppliers of our Company for the F.Y. 2023-24.

Particulars	F.Y. 2023-24 (In %)
Top 5 Customers	30.57%
Top 5 Supplier	45.11%

Core Values:

- Creativity: Pushing the Boundaries of Design

At Shangar Decor Limited, we are driven by an unwavering passion for creativity. We believe that every event should be a reflection of imagination, innovation, and originality. Our design philosophy revolves around pushing the boundaries to craft decor experiences that are not only visually stunning but also deeply memorable. By continuously exploring new ideas, materials, and techniques, we create environments that leave a lasting impression on all who attend. We take pride in our ability to blend traditional aesthetics with contemporary trends, ensuring that our designs are both timeless and on the cutting edge of style.

- Excellence: Commitment to the Highest Standards

Excellence is the cornerstone of everything we do at Shangar Decor. We are dedicated to delivering the highest standards of quality in every aspect of our work, from the initial design concept to the final execution. Our team of skilled professionals ensures that every detail is meticulously planned and flawlessly executed, no matter the size or scale of the event. We use the finest materials and partner with the best vendors to guarantee that our clients receive nothing less than perfection. Our commitment to excellence is evident in our long track record of successful events and satisfied clients.

- Client Satisfaction: Cantering Our Clients in Every Decision

Our clients are at the heart of our business. We understand that each event is unique and that our clients have specific visions and needs. That's why we place our clients at the centre of every decision we make. We work closely with them to understand their preferences, aspirations, and expectations, ensuring that every element of the decor aligns with their desires. Our goal is to create personalized experiences that resonate deeply with our clients and their guests. We believe that true success is measured by the satisfaction of our clients, and we strive to exceed their expectations at every turn.

- Reliability: Delivering with Precision and Timeliness

Reliability is one of the core pillars of Shangar Decor Limited. We understand the importance of trust in our industry, which is why we take pride in our ability to deliver on time and within budget, regardless of the event's scale or complexity. Our clients can count on us to handle every aspect of the event decor with precision and care, ensuring a seamless and stress-free experience. We are committed to maintaining clear communication and transparency throughout the planning and execution process, so our clients always know what to expect. Our reputation for reliability is built on years of consistently delivering outstanding results.

- Cultural Sensitivity: Honouring Traditions and Celebrating Diversity

At Shangar Decor, we have a deep respect for cultural traditions and understand the significant role they play in event decor. We recognize that every event is an opportunity to honor heritage and celebrate diversity. Our designs reflect this understanding by incorporating culturally significant elements that resonate with our clients and their communities. Whether it's a traditional Indian wedding, a corporate event with global attendees, or a government function steeped in protocol, we ensure that our decor is culturally appropriate, respectful, and meaningful. We believe that by honoring traditions, we create spaces that are not only beautiful but also rich in cultural significance.

These core values are not just words for us; they are the guiding principles that shape our work and define who we are as a company. At Shangar Decor Limited, we are committed to upholding these values in every project we undertake, ensuring that our clients receive the best in creativity, quality, and service. As we continue to grow and evolve, these values will remain the foundation of our success, driving us to create extraordinary events that inspire and delight.

Our Competitive Strengths

At Shangar Decor Limited, our success is built on a foundation of distinctive strengths that set us apart in the highly competitive event decor and management industry. These strengths have enabled us to consistently deliver exceptional services across various sectors, including weddings, corporate events, government and high-profile functions, religious decor, and large-scale infrastructure projects. Our competitive strengths include:

- **Diverse Expertise Across Multiple Sectors**

We pride ourselves on our ability to cater to a wide range of events, from intimate weddings to grand government functions and high-profile corporate events. Our expertise extends beyond traditional event decor to include religious ceremonies and large-scale infrastructure projects, making us a versatile partner for clients across different industries. This diversity allows us to leverage best practices from various sectors, delivering tailored solutions that meet the unique needs of each client.

- **Deep Understanding of Cultural and Religious Nuances**

Shangar Decor Limited has a profound respect for cultural and religious traditions, which is reflected in our approach to event decor. We have extensive experience in designing and executing decor for religious ceremonies, ensuring that every element aligns with the sacredness of the occasion. Our deep understanding of these nuances allows us to create decor that is both respectful and meaningful, resonating with participants on a personal and spiritual level.

- **Strong Track Record in Government and High-Profile Events**

We have earned a reputation as a trusted partner for government bodies and high-profile clients, having successfully executed numerous prestigious events. Our ability to manage the complexities and protocols associated with such events is a testament to our professionalism, attention to detail, and reliability. Our clients include government agencies, large corporations, and influential individuals who rely on us to deliver flawless execution and impactful decor.

- **Innovation and Creativity in Design**

Creativity is at the heart of everything we do. Our design team is dedicated to pushing the boundaries of what is possible, continuously exploring new trends, materials, and techniques to create unique and memorable decor experiences. Whether it's a wedding, a corporate event, or a large-scale religious project, we bring fresh ideas and innovative solutions to the table, ensuring that every event we handle is distinct and inspiring.

- **Commitment to Excellence and Quality**

We are unwavering in our commitment to excellence. From the initial concept to the final execution, we ensure that every aspect of our work meets the highest standards of quality. Our rigorous quality control processes, coupled with our use of the finest materials and partnerships with top vendors, guarantee that our clients receive nothing less than perfection. This commitment to quality has earned us the trust and loyalty of a diverse clientele.

- **Strong Project Management Capabilities**

Our ability to deliver complex projects on time and within budget is one of our key competitive strengths. We have a highly experienced project management team that oversees every detail, ensuring that all aspects of the event, from logistics to decor, are executed flawlessly. Our proven track record in handling large-

scale events and infrastructure projects demonstrates our ability to manage multiple moving parts while maintaining a high level of precision and care.

- Client-Centric Approach

At Shangar Decor Limited, our clients are our top priority. We take a collaborative approach, working closely with our clients to understand their vision, preferences, and goals. This client-centric approach ensures that every event we handle is a true reflection of our clients' desires and expectations. We are committed to providing personalized service and maintaining open communication throughout the planning and execution process, which has led to high levels of client satisfaction and repeat business.

- Comprehensive Service Offerings

Our ability to offer a comprehensive range of services under one roof is a significant advantage. From decor design and execution to full-scale event management and infrastructure projects, we provide end-to-end solutions that simplify the planning process for our clients. This all-inclusive approach allows us to deliver cohesive and integrated events, ensuring a seamless experience for our clients.

- Strategic Location and Strong Network

Being based in Ahmedabad, a vibrant and culturally rich city, provides us with strategic advantages in terms of logistics, sourcing materials, and accessing a wide talent pool. Additionally, our strong network of trusted vendors, partners, and collaborators across India ensures that we can deliver consistent quality and service, no matter where the event is held.

Our Business Strategies

Our business strategies are designed to capitalize on our core strengths, drive sustainable growth, and reinforce our position as a leader in the event decor and management industry. These strategies are focused on expanding our market presence, enhancing our service offerings, and optimizing our operations to deliver exceptional value to our clients and stakeholders.

One of our key strategies is to continually expand and diversify our service portfolio to cater to the evolving needs of our clients. By introducing new services and enhancing existing ones, we aim to offer comprehensive solutions across various event segments, including:

We plan to offer a more integrated approach to event management, covering every aspect from planning and logistics to decor and execution. This holistic approach will provide our clients with a seamless experience, making Shangar Decor their go-to partner for all event-related needs. With the growing trend of destination weddings and events, we intend to expand our services to key destination locations within India and internationally. This will allow us to tap into a lucrative market segment and offer clients the convenience of a one-stop solution for destination events. Moreover, we aim to enhance our offerings for luxury and high-profile events, focusing on delivering bespoke and exclusive experiences. By investing in premium materials, cutting-edge designs, and personalized services, we plan to cater to the upper echelons of the market.

Expanding our geographic footprint is a critical component of our growth strategy. We intend to establish a presence in major cities across India, by opening new offices, showrooms, and design studios. This expansion will enable us to serve a broader client base and tap into new markets. In today's digital age, having a strong online presence is essential. We plan to enhance our digital footprint by developing a robust e-commerce platform where clients can explore our portfolio, customize decor solutions, and book services online. This platform will be complemented by a targeted digital marketing strategy, including social media engagement, search engine optimization, and online advertising. By leveraging digital channels, we aim to reach a wider audience, increase brand awareness, and generate leads.

To maintain our competitive edge, we are committed to investing in technology and innovation. We plan to incorporate the latest design software, project management tools, and automation technologies into our operations. This will enable us to streamline processes, improve efficiency, and enhance the quality of our services. As part of our commitment to social responsibility, we are adopting sustainability as a core pillar of our business strategy. We plan to incorporate eco-friendly materials and practices into our decor and event management services. This includes using sustainable materials, minimizing waste, and reducing our

carbon footprint. By offering green event solutions, we aim to meet the growing demand for environmentally conscious events and position Shangar Decor as a leader in sustainable event management.

Building strong, long-term relationships with our clients is central to our business strategy. We plan to enhance our customer experience by offering personalized services, improving communication, and providing greater transparency throughout the event planning and execution process. Our goal is to increase client satisfaction and retention by consistently delivering high-quality, tailored solutions that meet and exceed their expectations. We recognize the importance of strategic partnerships and collaborations in driving growth and innovation. We plan to forge alliances with leading vendors, suppliers, and service providers in the industry to enhance our offerings and ensure the highest quality of materials and services. Additionally, we will explore partnerships with international event planners and design firms to expand our reach and introduce global design trends to our clients. We plan to implement comprehensive training and development programs to upskill our workforce, ensuring they stay ahead of industry trends and technologies. We also intend to expand our team by hiring top talent in design, project management, and customer service. By fostering a culture of continuous learning and professional growth, we aim to maintain a highly skilled and motivated workforce that drives our company forward.

We plan to optimize our cost structures, improve resource allocation, and enhance our supply chain management to ensure profitability and sustainability. By adopting lean management practices and leveraging economies of scale, we aim to reduce costs while maintaining the highest standards of quality and service.

Finally, strengthening our brand and enhancing our market positioning are critical to our business strategy. We plan to invest in marketing and public relations initiatives to build brand awareness, enhance our reputation, and position Shangar Decor as the preferred choice for event decor and management services. By highlighting our unique strengths, such as our creativity, cultural sensitivity, and commitment to quality, we aim to differentiate ourselves from competitors and attract a loyal client base.

Our Products

Shangar Decor Limited offers a diverse and comprehensive range of products designed to cater to various event decor and management needs. Our products are crafted with a focus on quality, creativity, and cultural sensitivity, ensuring that every event we work on is memorable and impactful. Below is an overview of our key product offerings:

- Wedding Decor

Weddings are one of our core specialties, and we offer a full spectrum of decor products tailored to create unforgettable celebrations. Our wedding decor products include:

Mandap Designs: Custom-designed mandaps that serve as the centrepiece of traditional Indian weddings, blending cultural elements with modern aesthetics.



Stage and Backdrop Decor: Stunning stages and backdrops that set the perfect scene for wedding ceremonies and receptions, featuring floral arrangements, drapes, and lighting.

Floral Arrangements: Exquisite floral designs, from bouquets to elaborate floral installations, using fresh flowers that reflect the wedding's theme and colour scheme.

WEDDINGS

SHANGAR
DECOR LTD

Table Settings and Centrepieces: Elegant table settings and centrepieces that add a touch of sophistication to wedding banquets and receptions.

Entrance and Venue Decor: Customized entrance arches, pathways, and venue decor that create a welcoming and festive atmosphere for guests.



- Corporate Event Decor

We provide professional and brand-aligned decor solutions for corporate events, ensuring that the environment reflects the company's identity and objectives. Our corporate event decor products include:



Conference and Seminar Setup: Decor elements for conferences and seminars, including stage design, podiums, backdrops, and branded signage.



Product Launch Decor: Innovative decor solutions for product launches, featuring thematic designs, interactive displays, and visual branding.



Gala Dinner and Award Ceremony Decor: Luxurious table settings, lighting, and stage decor for corporate galas and award ceremonies, creating a sophisticated ambiance.



Exhibition Stalls and Booths: Custom-designed exhibition stalls and booths that highlight the company's products and services, attracting attention and engagement from visitors.

- Government and High-Profile Event Decor

Our expertise in managing and decorating government functions and high-profile events allows us to offer decor products that meet the highest standards of protocol and prestige. Our offerings include:

Official Ceremony Decor: Elegant and dignified decor solutions for official government ceremonies, including stage setups, flag arrangements, and seating plans.



Public Event Decor: Large-scale decor for public events and celebrations, ensuring that the setup is both impressive and culturally appropriate.



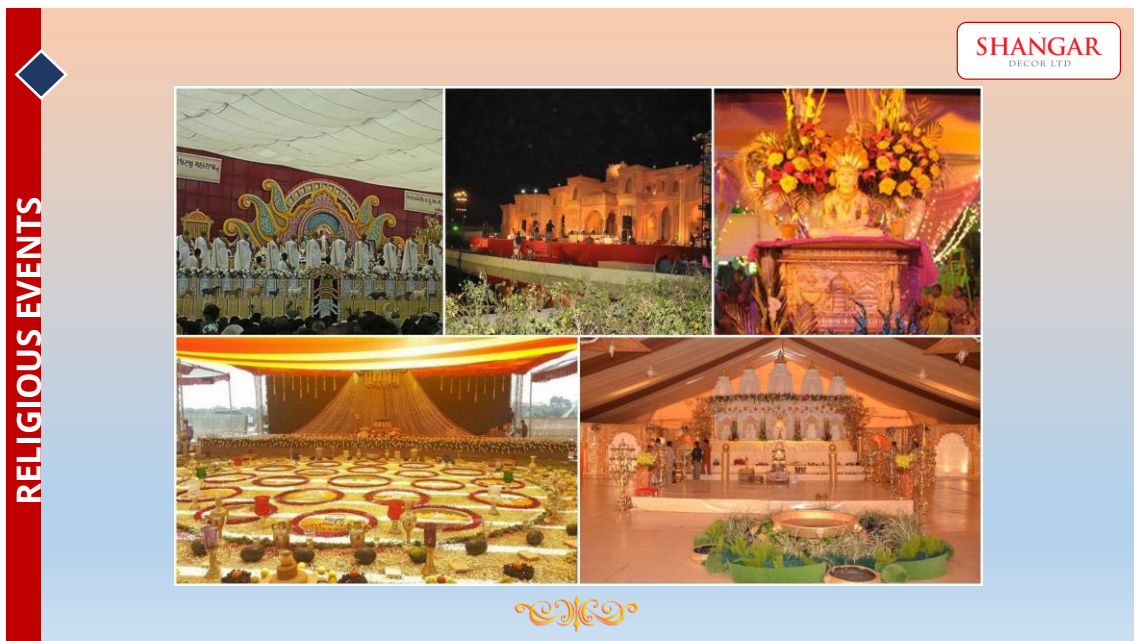
High-Profile Event Decor: Bespoke decor products for high-profile events, including celebrity weddings, VIP receptions, and other prestigious gatherings, where attention to detail is paramount.



- Religious Decor and Infrastructure Projects

We specialize in creating decor and infrastructure products that honor religious traditions and enhance spiritual experiences. Our products in this category include:

Temple and Shrine Decor: Intricate and respectful decor for temples and shrines, incorporating traditional motifs, floral arrangements, and sacred symbols.



Religious Ceremony Setup: Complete decor solutions for religious ceremonies and festivals, including altar designs, lighting, and ceremonial props.



Infrastructure Projects: Design and execution of religious infrastructure projects, such as community halls, prayer spaces, and other religious structures, ensuring functionality and aesthetic appeal.

- Thematic Event Decor

We excel in creating thematic decor that transforms events into immersive experiences. Our thematic event decor products include:

Custom Themes: Tailor-made decor based on specific themes, such as cultural festivals, retro parties, or futuristic conferences, ensuring a cohesive and engaging environment.

Props and Installations: Thematic props and installations that enhance the event's theme and create photo-worthy moments for guests.

Lighting and Effects: Creative lighting designs and special effects that complement the theme and add drama and excitement to the event.



- Infrastructure Decor Solutions

Beyond traditional event decor, we offer infrastructure decor solutions that elevate the aesthetics of public and private spaces. Our products in this category include:

Permanent Installations: Long-term decor solutions for public spaces, corporate offices, hotels, and other infrastructure projects, designed to enhance the visual appeal and functionality of the environment.

Art and Sculpture Installations: Custom-designed art pieces and sculptures that serve as focal points in lobbies, gardens, and public areas.



Interior and Exterior Decor: Comprehensive interior and exterior decor solutions for buildings, including wall treatments, landscaping, and facade enhancements.

These products reflect our commitment to delivering exceptional quality and creativity across all event segments. At Shangar Decor Limited, we pride ourselves on our ability to provide tailored decor solutions that meet the unique needs of our clients, ensuring that every event we are involved in is a true reflection of their vision and aspirations. Our diverse product offerings, combined with our expertise and cultural sensitivity, make us a trusted partner for clients seeking to create memorable and impactful events.

Our Business Operations

Shangar Decor Limited operates through a well-structured and streamlined process that ensures the successful execution of events from concept to completion. Our business operations are divided into four key stages: Strategy, Creatives, Design, and Production. Each stage is meticulously planned and executed, ensuring that every event we undertake reflects our commitment to creativity, quality, and client satisfaction.

- Strategy: Conceptualizing the Idea Behind the Events

The first stage of our operations is the strategic conceptualization of the event. This involves a deep understanding of our client's vision, objectives, and requirements. Our strategy team works closely with clients to gather insights, explore themes, and define the core message and atmosphere that the event should convey.

Client Consultation: We begin by engaging with our clients to understand their goals, preferences, and expectations. This involves detailed discussions about the event's purpose, target audience, cultural considerations, and desired outcomes.

Market Research and Trend Analysis: Our team conducts thorough research to identify current trends, industry best practices, and cultural nuances that could influence the event's design and execution. This ensures that our concepts are not only innovative but also relevant and impactful.

Theme Development: Based on the insights gathered, we develop a unique theme that aligns with the client's vision. This theme serves as the foundation for all creative, design, and production activities, ensuring a cohesive and consistent experience throughout the event.

- **Creatives: Creation of Eye-Catching Elements**

Once the strategy is in place, our creative team takes over to transform the conceptualized ideas into tangible, eye-catching elements. This stage involves the development of visual and artistic components that will bring the event's theme to life.

Visual Conceptualization: Our creative directors and designers brainstorm and sketch out initial ideas, focusing on how to visually represent the event's theme. This includes exploring colour palettes, textures, lighting concepts, and other visual elements that will define the event's ambiance.

Graphic Design and Branding: We create custom graphics, logos, and branding materials that are tailored to the event's theme. These elements are used across various platforms, including invitations, signage, digital media, and more, ensuring a consistent and immersive experience.

Floral and Decor Elements: Our florists and decorators work on designing floral arrangements, centrepieces, and other decor items that enhance the visual appeal of the event. These elements are carefully crafted to align with the event's overall theme and aesthetic.

- **Design: Elements of User Interactivity**

Design is a critical stage in our operations, where we focus on creating interactive and engaging elements that enhance the user experience. This involves the detailed planning and design of spaces, structures, and installations that will be used during the event.

Spatial Design: Our architects and interior designers create detailed layouts and floor plans that optimize the use of space, ensuring smooth flow and accessibility for all attendees. This includes the design of stages, seating arrangements, exhibition booths, and other interactive areas.

Interactive Installations: We design interactive installations and experiences that engage attendees and encourage participation. This could include digital displays, photo booths, and other innovative elements that add value to the event.

Lighting and Sound Design: Our technical team designs customized lighting and sound setups that enhance the mood and atmosphere of the event. This involves selecting the right lighting fixtures, sound equipment, and visual effects to create an immersive experience.

- **Production: Fabrication, Construction, Assembly, and Final Result**

The final stage of our operations is production, where all the conceptualized, creative, and designed elements come together. This stage involves the physical fabrication, construction, assembly, and final execution of the event.

Fabrication and Construction: Our production team fabricates and constructs all physical elements, including stages, structures, props, and installations. We use high-quality materials and craftsmanship to ensure durability and safety.

Assembly and Installation: Once the elements are fabricated, our team assembles and installs them at the event venue. This involves precise coordination and attention to detail to ensure that everything is set up according to the design specifications.

On-Site Execution: During the event, our team is on-site to oversee the execution, ensuring that everything runs smoothly. This includes managing lighting, sound, and other technical aspects, as well as coordinating with vendors and partners.

Final Touches and Quality Control: Before the event begins, we conduct a final walkthrough to ensure that every detail is perfect. Our quality control team checks for any last-minute adjustments that may be needed, ensuring that the final result meets our high standards of excellence.

By following this structured and integrated approach to business operations, Shangar Decor Limited is able to deliver exceptional events that exceed our clients' expectations. Our focus on strategy, creativity, design, and production ensures that each event is unique, memorable, and executed to perfection.

SWOT ANALYSIS

Shangar Décor takes immense pride in what we have achieved and are really excited to expand our business vertically and in doing so, we have identified Our Strengths, Weaknesses, Opportunities, and Threats (SWOT), that are presented as below -

Strengths:

- Diverse Service Portfolio

Shangar Decor Limited offers a wide range of services, including wedding decor, corporate events, government functions, high-profile events, religious decor, and infrastructure projects. This diverse portfolio allows us to cater to a broad clientele and reduces dependency on any single market segment.

- Creativity and Innovation

Our ability to consistently deliver creative and innovative designs is one of our core strengths. We are known for pushing the boundaries of traditional event decor, creating unique and memorable experiences that resonate with our clients and their audiences.

- Strong Client Relationships

We have built long-lasting relationships with a diverse client base, ranging from individual clients to large corporations and government bodies. Our commitment to client satisfaction and personalized service has earned us a loyal customer base and repeat business.

- Proven Track Record in High-Profile Projects

Our experience in managing and executing high-profile and government events gives us a significant edge in handling complex and high-visibility projects. Our track record of success in these areas has bolstered our reputation as a reliable and capable service provider.

- Strategic Location

Being based in Ahmedabad, a major cultural and economic hub, provides us with strategic advantages in terms of logistics, access to resources, and proximity to key markets. Our location also positions us well to serve both domestic and international clients.

Weaknesses:

- Dependency on Seasonal Business

A significant portion of our revenue comes from wedding decor and seasonal events, which can lead to fluctuations in demand and cash flow. This seasonal dependency can impact our ability to maintain steady revenue throughout the year.

- Limited Geographic Presence

While we have a strong presence in Ahmedabad and certain key markets, our geographic reach is still limited. Expanding to other major cities and regions within India and internationally could be challenging due to competition and resource constraints.

- High Operational Costs

The nature of our business involves high operational costs, particularly in terms of materials, labour, and logistics. Managing these costs while maintaining profitability can be challenging, especially in a competitive market with tight margins.

- Reliance on Key Personnel

Our operations rely heavily on the expertise and creativity of key personnel, including designers, project managers, and craftsmen. The loss of any key team member could impact our ability to deliver the high-quality services our clients expect.

Opportunities:

- Expansion into New Markets

There is significant potential for geographic expansion into other major cities across India and into international markets. By establishing a presence in these new markets, we can tap into a broader client base and diversify our revenue streams.

- Growing Demand for Destination Events

The increasing popularity of destination weddings and events presents an opportunity for us to expand our service offerings to include destination event management. This would allow us to cater to a high-value segment of the market and increase our market share.

- Adoption of Digital Platforms

The growing importance of digital platforms in event planning and management offers opportunities for us to enhance our online presence and e-commerce capabilities. By leveraging digital tools, we can reach a wider audience, improve client engagement, and streamline our operations.

- Sustainability and Eco-Friendly Practices

There is a rising demand for sustainable and eco-friendly event solutions. By incorporating green practices into our operations, such as using sustainable materials and minimizing waste, we can attract environmentally conscious clients and differentiate ourselves in the market.

- Partnerships and Collaborations

Strategic partnerships with other event management companies, vendors, and international design firms could provide opportunities for growth and innovation. Collaborations could also help us expand our service offerings and enter new markets more effectively.

Threats:

- Intense Competition

The event decor and management industry is highly competitive, with numerous players ranging from small boutique firms to large established companies. This intense competition could put pressure on pricing and margins, making it challenging to maintain profitability.

- Economic Downturns

Economic instability and downturns can significantly impact the event industry, as companies and individuals may reduce spending on events and decor. Such economic challenges could lead to reduced demand for our services and affect our financial performance.

- Regulatory and Compliance Risks

The event management industry is subject to various regulations, including health and safety standards, environmental laws, and labour laws. Changes in regulations or non-compliance could result in legal issues, fines, and damage to our reputation.

- Supply Chain Disruptions

Our operations rely on a steady supply of materials and services from vendors and suppliers. Disruptions in the supply chain, due to factors such as shortages, transportation issues, or supplier failures, could impact our ability to deliver projects on time and within budget.

- Changing Consumer Preferences

The preferences and expectations of clients in the event industry are constantly evolving. If we fail to adapt to these changes or anticipate emerging trends, we risk losing relevance and market share to more agile competitors.

Awards and Accreditations

Our Company has received numerous awards and certificate of excellence for the utmost services provided through the years. A list highlighting some of the awards/accreditation is as follow:



- CA Bar Association, Ahmedabad
- Income Tax Bar Association
- Sales Tax Bar Association
- Dudh Sagar Dairy, Gujarat
- Gujarat State Cooperative Bank

- **Ahmedabad District Co-Operative Bank**
- **Ahmedabad Municipal Corporation**
- **CIMS Hospital, Ahmedabad**
- **Sterling Hospital, Ahmedabad**



Future Prospects

Shangar Decor Limited plans to expand its services across India, establishing a presence in major cities and increasing its market share in the event decor and management industry. The company also aims to enhance its digital presence, allowing clients to explore its portfolio and book services online. Additionally, Shangar Decor is exploring opportunities to partner with international event planners and expand its offerings to destination weddings and global corporate events.

As part of our growth strategy, we plan to expand our presence beyond our current geographic strongholds in Ahmedabad and surrounding regions. We aim to establish operations in other major metropolitan areas across India, including Delhi, Mumbai, Bangalore, and Chennai, where there is significant demand for high-quality event decor and management services. Additionally, we are exploring opportunities to enter international markets, particularly in regions with a high concentration of Indian diaspora and a strong demand for culturally aligned event services. This expansion will allow us to diversify our revenue streams and reduce dependency on any single market.

The increasing integration of digital technology in the event management industry presents a significant opportunity for Shangar Decor Limited. We plan to enhance our digital presence by investing in advanced digital marketing strategies, e-commerce platforms, and online client engagement tools. This will enable us to reach a wider audience, streamline our operations, and offer clients a seamless and interactive experience from the initial consultation to the final execution of their events. To further strengthen our market position, we plan to diversify our service offerings to include new and emerging segments within the event industry. This includes expanding into destination event management, offering comprehensive solutions for clients looking to host weddings, corporate events, and other gatherings in exotic locations. We also intend to develop specialized services for niche markets, such as themed events, eco-friendly decor solutions, and luxury event management. By broadening our service portfolio, we aim to attract a wider range of clients and increase our market share.

With the growing emphasis on sustainability, we are committed to incorporating eco-friendly practices into our operations. This includes sourcing sustainable materials, minimizing waste, and implementing energy-efficient solutions in our decor and event management processes. By positioning ourselves as a leader in sustainable event decor, we can attract environmentally conscious clients and differentiate ourselves from competitors. Our focus on sustainability also aligns with global trends and regulatory expectations, positioning us well for long-term success.

Moreover, Strategic partnerships and collaborations will play a key role in our future growth. We plan to establish alliances with complementary businesses, such as event planners, caterers, and technology providers, to offer integrated event solutions to our clients. Collaborations with international design firms and suppliers will also enable us to bring global trends and innovations to our clients, enhancing the uniqueness and appeal of our offerings. These partnerships will allow us to leverage synergies, expand our service capabilities, and enter new markets more effectively.

Our future success depends on our ability to attract, retain, and develop top talent in the industry. We are committed to investing in the continuous training and development of our team members, ensuring they have the skills and expertise to deliver innovative and high-quality services. We also plan to foster a culture of creativity and innovation within the company, encouraging our team to explore new ideas and approaches that can set us apart in the market. By nurturing talent and fostering innovation, we will be able to maintain our competitive edge and continue delivering exceptional value to our clients.

Finally, given our proven expertise in religious decor and infrastructure projects, we see significant potential in expanding this segment of our business. We plan to actively seek out and bid for large-scale religious and community infrastructure projects, both within India and internationally. This could include the design and construction of temples, community centres, and other religious or cultural landmarks. By expanding our presence in this segment, we can further diversify our revenue streams and tap into a stable and growing market.

Marketing Strategy

Our marketing strategies are designed to strengthen our brand presence, expand our client base, and position us as a leading provider of event decor and management services in India and beyond. Our comprehensive approach combines traditional marketing methods with innovative digital strategies to effectively reach and engage our target audience. The key components of our marketing strategy include Brand Building and Awareness, Digital Marketing and Online Presence, Client Relationship Management, Strategic Partnerships and Alliances, Geographic and Market Expansion, and Geographic and Market Expansion.

Building a strong brand identity is central to our marketing efforts. We aim to establish Shangar Decor Limited as a trusted and recognized name in the event decor industry by emphasizing our commitment to creativity, quality, and cultural sensitivity. We will continue to refine our brand identity, ensuring that it reflects our core values and resonates with our target audience. This includes consistent branding across all touchpoints, from our website and social media channels to our event setups and client communications.

We will actively engage with the media to generate positive coverage of our projects, particularly high-profile and government events. Press releases, feature articles, and interviews with key personnel will be used to highlight our expertise and successes and further to enhance our visibility within the industry, we will participate in key industry events, trade shows, and exhibitions. This will provide us with opportunities to showcase our work, network with potential clients and partners, and stay updated on the latest trends.

Further, we will leverage digital marketing strategies to enhance our online visibility and attract new business. We will optimize our website and online content to rank higher in search engine results for relevant keywords, ensuring that potential clients can easily find us when searching for event decor services. Our social media strategy will focus on building an active and engaged online community. We will use platforms like Instagram, Facebook, LinkedIn, and Pinterest to showcase our work, share client testimonials, and engage with followers through regular updates, behind-the-scenes content, and interactive posts. We will create and distribute valuable content that positions us as thought leaders in the event decor industry. Targeted online advertising campaigns, including pay-per-click (PPC) ads, social media ads, and display ads, will be used to reach potential clients and drive traffic to our website. These campaigns will be tailored to specific demographics and geographic regions, ensuring maximum relevance and impact.

Building and maintaining strong relationships with our clients is a key aspect of our marketing strategy. We believe that satisfied clients are our best advocates and can drive significant word-of-mouth referrals.

We will implement a client relationship management (CRM) system to track interactions, preferences, and feedback, allowing us to provide personalized service and build long-term relationships with our clients.

To encourage repeat business, we will introduce loyalty programs for our clients, offering exclusive discounts, early access to new services, and other incentives for returning customers. We will actively solicit

and showcase client testimonials and success stories on our website, social media channels, and marketing materials. These testimonials will serve as powerful endorsements of our services and help build trust with potential clients.

We will strengthen our relationships with key vendors and suppliers, ensuring that we have access to high-quality materials and services at competitive prices. These partnerships will also enable us to offer integrated solutions to our clients, from decor to catering and beyond. By partnering with event planners, wedding coordinators, and corporate event organizers, we can tap into their client base and offer our decor services as part of a broader event management package. We will explore opportunities for cross-promotions and co-branding with other businesses in the hospitality and luxury sectors, such as hotels, resorts, and luxury brands. This will allow us to reach new audiences and enhance our brand image.

As we expand into new cities and regions, we will launch targeted marketing campaigns to raise awareness and generate leads in these areas. These campaigns will be tailored to the local culture and preferences, ensuring that our services resonate with potential clients. Moreover, we will develop specialized marketing strategies for niche markets, such as destination weddings, religious decor, and high-profile events. By focusing on these segments, we can attract clients who are looking for unique and customized event solutions.

With growing awareness around sustainability, incorporating eco-friendly practices into our marketing strategy will help us attract environmentally conscious clients and differentiate ourselves from competitors. We will highlight our commitment to sustainability in our marketing materials, showcasing our use of eco-friendly materials, waste reduction efforts, and energy-efficient practices. This will appeal to clients who prioritize sustainability in their event planning. We will engage in CSR activities that align with our values and business goals, such as supporting local artisans, contributing to community development projects, and promoting cultural preservation. These initiatives will be promoted through our marketing channels, enhancing our brand's reputation and social impact.

Competition

We operate in a competitive atmosphere as Wedding and Event Management industry is highly competitive industry. Some of our competitors may have greater resources than those available to us. While service-product quality, design, availability, distribution network and pricing etc are key factors in client decisions among competitors. We continuously take measure to reduce our overheads, procurement, production and distribution costs and improve our operational efficiencies. We face competition from both the organized and unorganized sector in this business. However, we believe our true competition is in the unorganized sector. We believe the quality of the service, economical pricing and the unique decor are the important factor to face the competition. Our company sees an opportunity in the increased competition by way of managing and creating more and more unique wedding and events.

Despite facing stiff competition from prominent rivals like Lalloji & Sons, Gandhi Corporation, Labh Decorators, and Resource, Shangar Decor Limited has consistently outperformed in the tendering process for major government projects. Our unwavering commitment to excellence, meticulous attention to detail, and innovative approach have enabled us to maintain a dominant presence in the market.

Raw Material

At Shangar Decor Limited, the selection and procurement of raw materials are fundamental to the quality and success of our event decor and management services. We understand that the materials we use not only define the aesthetic appeal of our designs but also contribute to the durability, safety, and sustainability of our installations. Therefore, we are committed to sourcing only the finest materials from reputable suppliers who share our dedication to excellence and ethical practices.

Fabrics and textiles are among the most critical components of our decor solutions. We utilize a wide array of fabrics, including luxurious silks, rich velvets, crisp linens, and delicate organza, to create an elegant and visually compelling environment for each event. These textiles are selected not only for their beauty but also for their durability and the way they drape and respond to lighting. Our fabrics are sourced from trusted suppliers, both locally and internationally, ensuring a consistent supply of high-quality materials that meet our exacting standards. We also emphasize ethical sourcing, working with suppliers who prioritize fair trade practices and sustainability.

Wood and carpentry materials form the backbone of many of our custom-built decor elements. Whether it's the construction of stages, platforms, or bespoke furniture, we rely on high-quality wood, plywood, and MDF (Medium-Density Fiberboard) to ensure that these structures are both sturdy and aesthetically pleasing. Our commitment to sustainability is reflected in our choice of materials; wherever possible, we opt for wood that is sustainably sourced and certified by recognized environmental standards. This approach not only supports our environmental goals but also assures our clients that their events are being executed with materials that are both beautiful and responsibly sourced.

Metals and hardware are integral to the structural integrity and decorative sophistication of our setups. We use strong and durable metals like aluminium, steel, and iron to construct the framework for large-scale installations, ensuring that our designs can withstand the rigors of event use. These materials provide the necessary support for stages, tents, and other temporary structures. Additionally, metals are employed in creating decorative elements such as chandeliers, lanterns, and custom metalwork, adding a touch of elegance and modernity to our designs. We carefully select our metal suppliers to ensure that all materials meet industry standards for safety and quality.

The role of lighting and electrical components in our decor cannot be overstated, as lighting significantly influences the ambiance and mood of an event. We utilize a diverse range of lighting solutions, from LED lights and chandeliers to fairy lights and spotlights, to highlight key aspects of our decor and create the desired atmosphere. All our lighting and electrical components are sourced from certified suppliers who adhere to strict safety standards, ensuring reliable performance during events. We also prioritize energy efficiency, selecting lighting solutions that minimize power consumption without compromising on the visual impact.

Flowers and foliage bring a natural and vibrant element to our decor designs, adding color, texture, and a sense of freshness to the event space. Depending on the client's preferences and the theme of the event, we use both fresh and artificial flowers. Fresh flowers are sourced from local and international florists who provide a wide variety of blooms, including roses, lilies, orchids, and seasonal flowers, ensuring that we have the perfect selection for every occasion. For long-lasting installations or events where fresh flowers may not be feasible, we use high-quality artificial flowers and foliage that are nearly indistinguishable from the real thing. These artificial options are sourced from manufacturers known for their realistic and durable products.

The finishing touches on our decor elements often involve paints and finishes, which are crucial for achieving the desired aesthetic and ensuring the longevity of our custom-built structures. We use high-quality, non-toxic paints and finishes to customize stages, backdrops, furniture, and other decor elements. These materials are chosen not only for their colour and finish but also for their durability and environmental impact. Our design team carefully matches colours to align with the overall theme of the event, ensuring a cohesive and visually appealing final product.

Glass and mirrors are used in many of our designs to add a sense of luxury and sophistication. These materials are employed in creating reflective elements such as centrepieces, mirror panels, and glass furniture, which enhance the overall ambiance of the event. The glass and mirrors we use are sourced from reliable suppliers who can provide customized shapes and sizes, allowing us to tailor these elements to meet specific design requirements.

In keeping with our commitment to environmental responsibility, Shangar Decor Limited increasingly incorporates sustainable and eco-friendly materials into our decor solutions. This includes using biodegradable decor elements, recycled materials, and energy-efficient products. We are constantly exploring new materials and technologies that allow us to reduce our environmental footprint while maintaining the high standards of quality and aesthetics that our clients expect. By integrating sustainability into our material selection, we not only meet the growing demand for eco-friendly solutions but also position ourselves as leaders in responsible event decor and management.

In conclusion, the careful selection of raw materials is a cornerstone of Shangar Decor Limited's operations. By partnering with trusted suppliers and prioritizing sustainability, we ensure that every event we design and execute is of the highest quality, both in terms of aesthetics and environmental responsibility. Our dedication to sourcing the best materials is key to our ability to deliver exceptional and memorable experiences for our clients, setting us apart in the competitive event decor industry.

UTILITIES AND INFRASTRUCTURE FACILITIES:

Location:

Our Registered Office is located at: 4 Sharad Flats Opp-Dharnidhar Temple, Ahmedabad-380007, Gujarat, India.

Water:

Our company has adequate water supply at our location which is sourced from the Municipal Corporation and local Nagar Palika.

Electricity:

The requirement of power for our operations is met through Torrent Power Limited.

HUMAN RESOURCES

Human resource is an asset to any industry. We believe that our employees are the key to the success of our business and hence we have a structured organization plan to take care of the growth and motivation aspects of our team. Our manpower is a prudent mix of experienced and young personnel which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our strong management team have enabled us to successfully implement our growth plans.

As on the date of this letter of offer, our Company has 08 (Eight) employees. The breakup of our manpower is as follows:

Department	Strength
Management	2
Finance, Accounts	2
Marketing & Sales	2
Legal & Secretarial	1
Peon	1
TOTAL	8

COLLABORATIONS, ANY PERFORMANCE GUARANTEE OR ASSISTANCE IN MARKETING BY THE COLLABORATORS

Our Company has not entered into any collaboration, or Performance guarantee or assistance for marketing with any Company.

DETAILS OF MAJOR CUSTOMERS

Our major clients, aggregate of both event management as well as decor services, are listed below:

- Government of Gujarat (Election Booth work)
- Dudh Sagar dairy
- Ahmedabad Municipal Corporation
- Gujarat State Co-Operative bank
- CIMS hospital
- Anand Niketan school
- Ahmedabad District Co-Operative bank
- Ram krushna mission, Lucknow

EXPORT AND EXPORT OBLIGATIONS

As on date of this letter of offer, our Company does not have any export obligations.

CAPACITY AND CAPACITY UTILIZATION


Our capacity depends on our workforce/orders in hand and not in any fixed output from plant & machinery and hence capacity and capacity utilization cannot be determined.

PLANT AND MACHINERY

As on the date of filing this Prospectus, our company being in the service industry, does not own any specific plant and machinery except as required to run the day-to-day business.

INTELLECTUAL PROPERTY RIGHTS

We regard our intellectual property as one of the most important factors in contributing to our success, and our intellectual property rights include trademarks associated with our businesses and other rights arising from confidentiality agreements relating to our database and website content and technology.

Sr. No.	Logo	Class	Trademark Type	Owner of Trademark	Application No.	Date of Application	Status
1.		41	Device	Shangar Decor Limited	6606732	3 rd September, 2024	Formalities Chk Pass

LAND & PROPERTY

The Company occupies the following immovable properties:

Details of Agreement	Address of property	Consideration	Tenure	Usage
Leave and License Agreement dated August 31, 2024 by Licensor and the Company between Samir Rasiklal Shah	4 Sharad Flats Opp-Dharnidhar Temple, Ahmedabad-380007, Gujarat, India.	Rs. 50,000/- per month	11 months and 29 days commencing from 1 st September, 2024	Registered Office
Leave and License Agreement dated August 31, 2024 by Licensor and the Company between Shaileshbhai Bharwad and Sureshbhai Bharwad	Survey No. 1138, Mouje Juni Vanzar, Near Vanzar Patia, Sarkjej- Dhoka Road, Bakrol, Ahmedabad-382210, Gujarat, India	Rs. 60,000/- per month	11 months and 29 days commencing from 1 st September, 2024	Godown

OUR MANAGEMENT

BOARD OF DIRECTORS

Our Articles of Association provide that our Board shall consist of minimum 3 (Three) Directors and not more than 15 (Fifteen) Directors, unless otherwise determined by our Company in a general meeting.

As on date of this Letter of Offer, our Company currently has 5 (Five) directors on its Board, 1 (One) Managing Director, 1 (One) Executive Director, 1 (One) Non- Executive Director and 2 (Two) Independent Directors. The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act and SEBI (LODR) Regulations, to the extent applicable.

The following table sets forth details regarding our Board of Directors as on the date of this Letter of Offer:

Samir Rasiklal Shah	
<i>DIN</i>	00787630
<i>Date of Birth</i>	24/09/1954
<i>Age</i>	70 years
<i>Address</i>	6, Kalrav Yogeshwar Nagar Society, Paldi, Ahmedabda-380007, Gujarat, India
<i>Nationality</i>	Indian
<i>Designation</i>	Managing Director
<i>Term</i>	5years
<i>Period of Directorship</i>	1 st October, 2021 to 30 th September, 2026
<i>Other Directorship</i>	NA
<i>Qualification</i>	Commerce Graduate (B.Com)
<i>Experience</i>	Mr. Samir Shah is the founder of Shangar Decor Ltd. & He is the founder of the Gujarat Decor Association. He instills an ideas-focused culture that drives the company to create extraordinary work that transforms client brands and business. Mr. Shah's passion to develop experiences that create emotional connections and strengthen relationships between brands and people further pushes the team to innovate in an increasingly cluttered marketplace. It is this passion that has fueled a professional approach towards each client and hence he not only embodies but also defines industry best practices, trends, and thought leadership to his employees and the members of the association.
<i>Occupation</i>	Business

Saumil Shrenikbhai Shah	
<i>DIN</i>	01601299
<i>Date of Birth</i>	15/08/1977
<i>Age</i>	47 years
<i>Address</i>	Gyandeep Society, Paldi, Dhumketu Road, Ahmedabad – 380007, Gujarat, India
<i>Nationality</i>	Indian
<i>Designation</i>	Executive Director cum CFO
<i>Term</i>	Subject to Retirement
<i>Period of Directorship</i>	NA
<i>Other Directorship</i>	None
<i>Qualification</i>	Master of Commerce (M.Com)
<i>Experience</i>	Mr. Saumil Shah is having 18 years of experience of handling of accounts, finance, taxation and admin related works. Mr. Saumil Shah is data obsessive with a true passion for planning and delivering seamlessly executed events. He has a natural eye for detail and exceptional budget management skills & is a meticulous planner who brings positivity, energy and integrity to each and every event.
<i>Occupation</i>	Business

Moulin Samir Shah	
<i>DIN</i>	08948652
<i>Date of Birth</i>	24/06/1985
<i>Age</i>	39 years
<i>Address</i>	6, Kalrav Yogeshwar Nagar Society, Paldi, Ahmedabda-380007, Gujarat, India
<i>Nationality</i>	Indian
<i>Designation</i>	Non Executive Non- Independent Director
<i>Term</i>	Subject to Retirement
<i>Period of Directorship</i>	NA
<i>Other Directorship</i>	None
<i>Qualification</i>	Bachelors in Business Marketing & Management CHA (Certified Hospitality Administrator)
<i>Experience</i>	Mr. Moulin Shah believes that Shangar Decor Ltd is the architect of audience engagement, where in we design, create and touch every aspect of even and communication to build an immersive experience and we do all that with a single purpose.
<i>Occupation</i>	Bunsines

Bhavinkumar Arvindbhai Patel	
<i>DIN</i>	06604431
<i>Date of Birth</i>	27/07/1988
<i>Age</i>	36 years
<i>Address</i>	31, Ashirvad Park, Dasaj Road, Unjha-384170, Gujarat, India
<i>Nationality</i>	Indian
<i>Designation</i>	Non Executive Additional Independent Director
<i>Term</i>	03/09/2024 TO 02/09/2029 subject to the approval of shareholders in Annual General Meeting
<i>Period of Directorship</i>	5 years
<i>Other Directorship</i>	1. Greneey Enterprise Private Limited 2. Ojas Selfcare Limited
<i>Qualification</i>	B.Com, CS
<i>Experience</i>	Mr. Bhavin Patel is a Commerce Graduate and also a Member of ICSI. He has more than 10 years of experience in working with various companies. He has good command on the Corporate and Accounts matters.
<i>Occupation</i>	Service

Aanal Milankumar Satyawadi	
<i>DIN</i>	07381381
<i>Date of Birth</i>	23/01/1991
<i>Age</i>	33 years
<i>Address</i>	C-904, Shreeji Towers, Opp. Himalaya Mall, 2nd Cross Street Kalaimagal Nagar 1st Main Road Ek, Chennai-600032, India
<i>Nationality</i>	Indian
<i>Designation</i>	Non Executive Additional Independent Director
<i>Term</i>	5 years
<i>Period of Directorship</i>	03/09/2024 TO 02/09/2029 subject to the approval of shareholders in Annual General Meeting
<i>Other Directorship</i>	1. Isoluxsolar Private Limited 2. Monokrom Laser Private Limited
<i>Qualification</i>	FCS, LLM, M.Com
<i>Experience</i>	Ms. Anal Satywadi is dynamic young professional with quality experience in listed companies. She is Company Secretary and strong Entrepreneur. She has more than 10 years of experience in the corporate world.
<i>Occupation</i>	Service

Past Directorships in suspended companies

None of our Directors are, or were a director of any listed company, whose shares have been, or were suspended from being traded on any of the Stock Exchanges during the term of their directorships in such companies during the last 5 (Five) years preceding the date of this Letter of Offer.

Past Directorships in delisted companies

Further, none of our Directors are or were a director of any listed company, which has been, or was delisted from any stock exchange during the term of their directorship in such Company during the last 10 (Ten) years preceding the date of this Letter of Offer.

Relationship between Directors

Except for the Directors stated below none of the other Directors are not related to each other, as on the date of this Letter of Offer:

S.N.	Name of Director	Relationship	Name of the person
1	Samirbhai Rasiklal Shah	Nephew	Saumil Shrenikbhai Shah
2	Samirbhai Rasiklal Shah	Son	Moulin Samir Shah

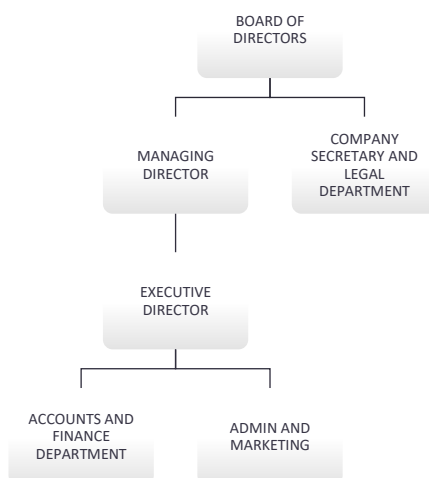
Arrangement or understanding with major Shareholders, customers, suppliers or others

Our Company has not entered any arrangement or understanding with major shareholders, customers, suppliers, or others pursuant to which any of the above-mentioned directors have been appointed in the Board.

Details of service contracts entered with Directors

Our Company has not entered any service contracts with the present Board of Directors for providing benefits upon termination of employment.

Management Organizational Structure



CORPORATE GOVERNANCE

The provisions of the SEBI (LODR) Regulations with respect to corporate governance are applicable to us. We are in compliance with the requirements of the Companies Act, 2013, in respect of corporate governance including in respect of the constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act, 2013 and the provisions of the SEBI (LODR) Regulations. Our Board functions either as a full board or through various committees constituted to oversee specific functions.

Committees of our Board

In addition to the committees of our Board detailed below, our Board may, from time to time constitute committees for various functions.

Audit Committee		
Sr. No.	Name of the Director	Committee Designation
1.	Bhavinkumar Arvindbhai Patel	Chairperson
2.	Aanal Milankumar Satyawadi	Member
3.	Moulin Samir Shah	Member

Our Company has constituted an audit committee ("Audit Committee"), The scope and functions of the Audit Committee and its terms of reference are in accordance with Section 177 of the Companies Act, 2013 and the SEBI (LODR) Regulations and inter alia, include:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;
- Reviewing and monitoring the statutory auditor's independence and performance and effectiveness of audit process;
- Approving payments to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly, half -yearly and annual financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds authorized for purposes other than those stated in the offer document/ prospectus / letter of offer / notice and the report submitted by the monitoring agency monitoring the authorized of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
- Approval or any subsequent modifications of transactions of the Company with related parties;
- Scrutinising of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluating of internal financial controls and risk management systems;
- Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances
- Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussing with internal auditors on any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;

- s) Reviewing the functioning of the whistle blower mechanism;
- t) Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate; and
- u) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority.
- v) Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as per applicable law.
- w) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Audit Committee has the following powers:

- 1) to investigate any activity within its terms of reference;
- 2) to seek information from any employee;
- 3) to obtain outside legal or other professional advice; and
- 4) to secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

- 1) Management's discussion and analysis of financial condition and results of operations;
- 2) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- 3) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- 4) Internal audit reports relating to internal control weaknesses;
- 5) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- 6) Statement of deviations:
 - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the Listing Regulations; and
 - b) annual statement of funds utilised for purposes other than those stated in the document/prospectus/letter of offer /notice in terms of the Listing Regulations.

The Audit Committee is required to meet at least four times in a year under Regulation 18(2)(a) of the Listing Regulations.

The quorum for a meeting of the Audit Committee shall be two members or one third of the members of the audit committee, whichever is greater, with at least two-third independent directors.

Nomination and Remuneration Committee

Sr. No.	Name of the Director	Committee Designation
1.	Moulin Samir Shah	Chairperson
2.	Aanal Milankumar Satyawadi	Member
3.	Bhavinkumar Arvindbhai Patel	Member

Our Company has constituted a Nomination and Remuneration Committee. The scope and functions of the Nomination and Remuneration Committee and its terms of reference are in accordance with Section 178 of the Companies Act, 2013 and the SEBI (LODR) Regulations and inter alia, include:

- 1) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- 2) Formulating of criteria for evaluation of the performance of the independent directors and the Board;
- 3) Devising a policy on Board diversity;
- 4) Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;
- 5) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- 6) Analysing, monitoring and reviewing various human resource and compensation matters;
- 7) Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- 8) Determining compensation levels payable to the senior management personnel and other staff (as

- deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- 9) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
 - 10) Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended;
 - 11) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - i. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or
 - ii. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended.
 - 12) Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority; and
 - 13) Recommend to the Board, all remuneration, in whatever form, payable to senior management.

The Nomination and Remuneration Committee is required to meet at least once in a year under Regulation 19(3A) of the Listing Regulations.

The quorum for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members of the committee, whichever is greater, including at least one independent director.

Stakeholders' Relationship Committee

Sr. No.	Name of the Director	Committee Designation
1.	Bhavinkumar Arvindbhai Patel	Chairperson
2.	Aanal Milankumar Satyawadi	Member
3.	Moulin Samir Shah	Member

Our Company has constituted Stakeholders' Relationship Committee. The scope and functions of the Stakeholders' Relationship Committee and its terms of reference are in accordance with Section 178 of the Companies Act, 2013 and the SEBI (LODR) Regulations and inter alia, include:

- 1) Consider and resolve grievances of security holders of the Company, including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
- 2) Review of measures taken for effective exercise of voting rights by shareholders. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.
- 3) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- 4) Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- 5) To approve, register, refuse to register transfer or transmission of shares and other securities;
- 6) To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
- 7) Allotment and listing of shares;
- 8) To authorize affixation of common seal of the Company;
- 9) To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
- 10) To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
- 11) To dematerialize or rematerialize the issued shares;
- 12) Ensure proper and timely attendance and redressal of investor queries and grievances;
- 13) Carrying out any other functions contained in the Companies Act, 2013 and/or equity listing agreements (if applicable), as and when amended from time to time; and
- 14) To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s)

KEY MANAGERIAL PERSONNEL

Shubhangi Chourasia	
<i>Designation</i>	Company Secretary & Compliance Officer
<i>Date of Joining</i>	03/09/2024
<i>Qualification</i>	Company Secretary, B.Com and LLB Graduate
<i>Term</i>	As per Company Rules
<i>Period of Directorship</i>	NA
<i>Service Contracts</i>	NA
<i>Previous Employment</i>	PCS
<i>Business Experience</i>	Ms. Shubhangi Chouasia, member of ICSI, has 3 years of experience with the Practicing Company Secretary and Listed Companies. She holds good command on the corporate compliances under Companies Act 2013 and SEBI Regulations.
<i>Description of the Functional Role in the Company</i>	Legal and Secretarial work
<i>Area of experience and expertise in the Company</i>	Legal and Secretarial work
<i>Family Relationship</i>	NA
<i>Employment Status</i>	Service

Saumil Shrenikbhai Shah	
<i>Designation</i>	Executive Director cum Chief Financial Officer (CFO)
<i>Date of Joining</i>	15/06/2019
<i>Qualification</i>	Master of Commerce (M.Com)
<i>Term</i>	Subject to Retirement
<i>Period of Directorship</i>	NA
<i>Service Contracts</i>	NA
<i>Business Experience</i>	Mr. Saumil Shah is having 18 years of experience of handling of accounts, finance, taxation and admin related works. Mr. Saumil Shah is data obsessive with a true passion for planning and delivering seamlessly executed events. He has a natural eye for detail and exceptional budget management skills & is a meticulous planner who brings positivity, energy and integrity to each and every event.
<i>Description of the Functional Role in the Company</i>	Executive Director cum Chief Financial Officer (CFO)
<i>Area of experience and expertise in the Company</i>	18 years of Experience in years of experience of handling of accounts, finance, taxation and admin related works.
<i>Family Relationship/ Relationship with any Director or Key Managerial Personnel</i>	Yes, Mr. Samirbhai Rasiklal Shah and Mr. Maulin Samir Shah
<i>Employment Status</i>	Business

Samir Rasiklal Shah	
<i>Designation</i>	Managing Director
<i>Date of Joining</i>	10/08/2015
<i>Qualification</i>	Commerce Graduate (B.Com)
<i>Term</i>	5 years
<i>Period of Directorship</i>	1 st October, 2021 to 30 th September, 2026
<i>Service Contracts</i>	Business
<i>Business Experience</i>	Mr. Samir Shah is the founder of Shangar Decor Ltd. & He is the founder of the Gujarat Decor Association. He instills an ideas-focused culture that drives the company to create extraordinary work that transforms client brands and business. Mr. Shah's passion to develop experiences that create emotional connections and strengthen relationships between brands and people further pushes the team to innovate in an increasingly cluttered marketplace. It is this passion that has fueled a professional

	approach towards each client and hence he not only embodies but also defines industry best practices, trends, and thought leadership to his employees and the members of the association.	
Description of the Functional Role in the Company	Managing day to day affairs of the company.	
Area of experience and expertise in the Company	Business administration	
Family Relationship/ Relationship with any Director or Key Managerial Personnel	Yes, Mr. Samirbhai Rasiklal Shah and Mr. Maulin Samir Shah	
Employment Status	Business	

OUR PROMOTER

The Promoters of our Company are Mr. Samirbhai Rasiklal Shah, Mrs. Parul Samir Shah, Mr. Moulin Samir Shah and Mr. Sahil S Shah holds aggregate of 10,69,588 Equity Shares constituting 8.74% of our pre issued, subscribed and paid-up equity share capital. The following table sets forth details regarding our Promoters brief profile with shareholding in the Company as on the date of this Letter of Offer.

Samir Rasiklal Shah	
DIN	00787630
Date of Birth	24/09/1954
Age	70 years
Address	66, Kalrav Yogeshwar Nagar Society, Paldi, Ahmedabda-380007, Gujarat, India
Nationality	Indian
Designation	Managing Director & Promotor
Term	5years
Period of Directorship	1 st October, 2021 to 30 th September, 2026
Other Directorship	NA
No. of Shares & % of holding	1,93,988 & 1.58%
Qualification	Commerce Graduate (B.Com)
Experience	<p>Mr. Samir Shah is the founder of Shangar Decor Ltd. & He is the founder of the Gujarat Decor Association. He instills an ideas-focused culture that drives the company to create extraordinary work that transforms client brands and business.</p> <p>Mr. Shah's passion to develop experiences that create emotional connections and strengthen relationships between brands and people further pushes the team to innovate in an increasingly cluttered marketplace. It is this passion that has fueled a professional approach towards each client and hence he not only embodies but also defines industry best practices, trends, and thought leadership to his employees and the members of the association.</p>
Occupation	Business

Moulin Samir Shah	
DIN	08948652
Date of Birth	24/06/1985
Age	39 years
Address	6, Kalrav Yogeshwar Nagar Society, Paldi, Ahmedabda-380007, Gujarat, India
Nationality	Indian
Designation	Non Executive Non- Independnt Director & Promotor
Term	Subject to Retirement
Period of Directorship	NA
Other Directorship	None
No. of Shares & % of holding	25,200 & 0.21%
Qualification	Bachelors in Business Marketing & Management CHA (Certified Hospitality Administrator)
Experience	Mr. Moulin Shah believes that Shangar Decor Ltd is the architect of audience engagement, where in we design, create and touch every aspect of even and communication to build an immersive experience and we do all that with a single purpose.
Occupation	Bunsines

Parul Samir Shah	
<i>Date of Birth</i>	30/06/1957
<i>Age</i>	67 years
<i>Address</i>	6, Kalrav Yogeshwar Nagar Society, Paldi, Ahmedabda-380007, Gujarat, India
<i>Nationality</i>	Indian
<i>Designation</i>	Promotor
<i>No. of Shares & % of holding</i>	8,25,200 & 6.74%
<i>Qualification</i>	Bachelor of Arts
<i>Experience</i>	Parul Samir Shah holds a Bachelor of Arts degree and has been a dedicated educator at Anand Niketan School, Satellite Campus, for the past five years. Specializing in teaching children from Grade 1 to 4, Parul focuses on creating an engaging and nurturing learning environment for young students.
<i>Occupation</i>	Teacher (AnandNiketan School Satellite Branch)

Sahil Samir Shah	
<i>Date of Birth</i>	01/10/1990
<i>Age</i>	34 years
<i>Address</i>	6, Kalrav Yogeshwar Nagar Society, Paldi, Ahmedabda-380007, Gujarat, India
<i>Nationality</i>	Indian
<i>Designation</i>	Promotor
<i>No. of Shares & % of holding</i>	25,200 & 0.21%
<i>Qualification</i>	Master in Business Organizational Pyschology
<i>Experience</i>	<p>Sahil Samir Shah is the Global Head of Talent Acquisition and HR Technology at Takeda, where he leads the company's efforts to attract, recruit, and retain top talent worldwide. With a strong focus on enhancing HR technology systems, he is responsible for developing and executing innovative strategies to optimize Takeda's talent acquisition processes, ensuring alignment with the company's global business objectives.</p> <p>Sahil holds a Master's degree in Industrial and Organizational Psychology from Adler University, which has equipped him with a deep understanding of workplace behavior, organizational development, and human resource management. His expertise lies in leveraging data-driven insights to streamline recruitment practices and implementing advanced HR technologies to improve employee experiences across the organization.</p>
<i>Occupation</i>	Service

CONFIRMATIONS

Our Promoters has hereby confirmed, warranted, and stated that:

1. Our Promoters has not been declared as a wilful or fraudulent borrowers by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.
2. Our Promoters has not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offender's Act, 2018.
3. Our Promoters has not been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

4. Our Promoters has never been the promoters, directors or person in control of any other company, which are debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
5. There are no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Issue against our Promoters.

PROMOTER GROUP

Our Promoter Group as defined under Regulations 2(1)(pp) of the SEBI ICDR Regulations includes the following body corporate: For Promoter Group, we have restricted it only to the entity that hold equity shares in the Company and has been disclosed as Promoter Group to the Stock Exchanges in the shareholding pattern.

The following is the promoter group, with their shareholding pattern as on date of filing of the LOF:

S.N.	Name of Promotor Group	No. of Shares	Percentage (%)
1	Late Vipul Jagdishchandra Shah	11,45,000	9.35
2	Saumil Shrenikbhai Shah	5,70,000	4.66
3	Himani Moulin Shah	25,200	0.21
Total		17,40,200	14.22

OUR SUBSIDIARIES

As on the date of this Letter of Offer, our Company has no subsidiaries, joint venture and associate companies.

DIVIDEND POLICY

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

The Company has only one class of Equity Shares having a par value of Rs. 5/- per share. Each holder of Equity Share is entitled to one vote per share,

SECTION VII – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Particulars	Page No.
Unaudited Financial Results for the six months ended on September 30, 2024	99-104
Independent Auditor's Report on the Audited Financial Statements	105-116
Audited Financial Statements for the year ended March 31, 2024	117-141

Independent Auditor's Review Report on the Quarterly and Year to date Unaudited Financial Results of Shangar Décor Limited ("the company") Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
Shangar Décor Limited.

1. We have reviewed the accompanying statement of Unaudited Financial Results of **Shangar Décor Limited. ("the Company")** for the quarter and half year ended on **30th September, 2024 ("the Statement")**, being submitted by the Company pursuant to the requirements of Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulations 33 and 52 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India (ICAI). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified in 143(10) of the companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



📍 1601, 16th Floor, Himalaya Business Center, B/H BRTS Bus Stand,
Nr. RTO Cricle, 132 ft Ring Road, Ahmedabad - 380027
📞 079-2754 1742, 079-29911742, 9327610273 🌐 www.sdmca.in

Attention is drawn to Note: 6 of the Statement which states that the statement of cash flows for the corresponding six months ended September 30, 2024, as reported in the accompanying Statement have been approved by the Company's Board of Directors, but have not been subjected to review.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ("Ind AS") specified under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulations 33 and 52 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Shaishav D. Mehta
Partner
M.NO: 032891

Place : Ahmedabad
Date : 22nd October, 2024
UDIN: 24032891BKAGIA2784

Shangar Decor Limited

CIN: L36998GJ1995PLC028139

Address: 4, Sharad Appartment, Opp. Dharnidhar Derasar, Paldi, Ahmedabad - 380009, Gujarat
Unaudited Financial Result for the period ended on 30-09-2024

Rs. in Lakhs

Particulars	Quarter Ended			Half year ended		Year Ended
	30-09-2024	30-06-2024	30-09-2023	30-09-2024	30-09-2023	31 March 2024
	Un Audited	Un Audited	Un Audited	Un Audited	Un Audited	Audited
Income						
Revenue From Operations	345.78	183.13	117.41	528.91	221.87	1,298.91
Other Income	0.11	0.11	0.18	0.22	0.18	0.50
Total Income	345.89	183.24	117.59	529.13	222.05	1,299.41
Expenses						
Purchases of Stock-in-Trade	56.64	9.17	39.00	65.81	87.34	532.67
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	51.37	-25.71	-15.39	25.66	-21.68	52.36
Employee benefits expense	7.71	7.04	2.20	14.75	4.42	28.24
Finance costs	1.07	0.70	0.79	1.78	1.59	4.67
Depreciation and amortization expense	37.72	36.05	31.87	73.77	64.18	133.12
Other expenses	85.48	143.51	53.29	228.99	73.55	441.90
Total expenses	239.99	170.76	111.76	410.76	209.40	1,192.96
Profit/(loss) before tax	105.90	12.48	5.83	118.37	12.65	106.45
Tax expense						
Current tax	27.54	3.27	1.52	30.81	3.31	31.19
Total Tax expense	27.54	3.27	1.52	30.81	3.31	31.19
Profit/(loss) after tax for the period	78.36	9.21	4.31	87.56	9.34	75.26
Other Comprehensive Income						
Total Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income for the period	78.36	9.21	4.31	87.56	9.34	75.26
Earnings per equity share						
Basic	0.64	0.08	0.04	0.72	0.08	0.61
Diluted	0.64	0.08	0.04	0.72	0.08	0.61

Notes:

- 1 The above Unaudited Financial Results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 22nd October, 2024.
- 2 The above unaudited financial results have been prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ("the 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.
- 3 There are no reportable segments, which signify or in the aggregate qualify for separate disclosure as per provisions of the relevant Ind AS. The Management does not believe that the information about segments which are not reportable under Ind AS, would be useful to the users of these financial statements.
- 4 Figures has been rounded off and regrouped / re-arranged wherever necessary.



5 Statement of Assets and Liabilities

Rs. in Lakhs

Particulars	As at	
	30 September 2024	31 March 2024
ASSETS		
Property, Plant and Equipment	1,286.47	1,250.03
Capital work-in-progress	-	-
Investment Property	-	-
Goodwill	-	-
Other Intangible assets	-	-
Intangible assets under development	-	-
Financial Assets		
Investments	3.13	3.12
Trade receivables	-	-
Loans	-	-
Other financial assets	-	-
Deferred tax assets net	-	-
Other non-current assets	-	-
Total Non-current Assets	1,289.60	1,253.15
Current assets		
Inventories	183.25	208.92
Financial Assets		
Investments	-	-
Trade receivables	960.00	985.27
Cash and cash equivalents	29.20	186.32
Bank balances	-	-
Loans	41.69	36.46
Other financial assets	-	-
Other current assets	130.84	117.16
Total Current Assets	1,344.98	1,534.13
Total Assets	2,634.58	2,787.28
EQUITY and LIABILITIES		
Equity Share Capital	612.02	612.02
Other Equity	212.62	125.05
Total Equity	824.64	737.07
Non-current liabilities		
Financial Liabilities		
Borrowings	923.40	847.49
Lease liabilities	-	-
Trade Payables	-	-
total outstanding dues of micro enterprises and small enterprises	-	-
total outstanding dues of others	-	-
Other financial liabilities	-	-
Provisions	-	-
Deferred tax liabilities net	14.51	14.50
Other non-current liabilities	-	-
Total Non-current liabilities	937.91	861.99
Current liabilities		
Financial Liabilities		
Borrowings	-	-
Lease liabilities	-	-
Trade Payables	-	-
total outstanding dues of micro enterprises and small enterprises	-	-
total outstanding dues of others	773.13	1,083.40
Other financial liabilities	-	-
Other current liabilities	41.65	78.38
Provisions	57.25	26.44
Current Tax Liabilities (Net)	-	-
Total Current liabilities	872.03	1,188.22
Total liabilities	1,809.94	2,050.21
Total Equity and Liabilities	2,634.58	2,787.28

For and on behalf of Board of Directors,
Shangar Decor Limited (CIN: L36998GJ1995PLC028139)

Place: Ahmedabad
Date: 22nd October, 2024

Shah Samir R
Samir R Shah
Managing Director 00787630



Shangar Decor Limited
CIN: L36998GJ1995PLC028139
Registered office: 4, Sharad Appartment, Opp. Dharnidhar Derasar, Paldi, Ahmedabad - 380009, Gujarat
Standalone Cash Flow Statement for the period ended on 30-09-2024

Rs. in Lakhs

Particulars	For Period ended 30-Sep-24	For Period ended 30-Sep-23
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	87.57	9.36
Adjustments for:		
Depreciation and amortisation	73.77	64.18
(Gain)/Loss on disposal of property, plant and equipment	-	-
(Gain)/Loss on disposal of Investments	-	-
(Gain)/Loss on investments measured at fair value through profit and loss	-	-
Provision for Income tax	30.81	-4.26
Non cash expenses 1	-	4.03
Non cash expenses 2	-	-
Bad debts, provision for trade receivables and advances, net	-	-
Finance Cost	1.78	-3.95
Interest Income	-0.22	0.87
Dividend Income	-	0.12
Unrealised (gain) / loss	-	-
Operating profit before working capital changes	193.71	70.35
Adjustment for (increase) / decrease in operating assets		
Trade receivables	25.27	569.79
Unbilled revenue	-	-
Loans & Advances	-5.23	24.66
Other financial assets	-	-
Inventories	25.66	295.34
Other assets	-13.67	119.87
Other assets1	-	-
Adjustment for (Increase) / decrease in operating liabilities		
Trade payables	-310.26	-711.07
Employee benefit obligation	-	-
Other financial liabilities	-	-
Other Liabilities	-36.73	-13.21
Provisions	30.81	-8.19
Other Liabilities 1	-	-
Cash generated from operations	-90.44	347.54
Income tax paid (net)	-30.81	-10.25
Net cash generated by operating activities	-121.25	337.29
CASH FLOWS FROM INVESTING ACTIVITIES		
Bank deposits placed	-	-
Inter-corporate deposits placed	-	-
Purchase of investments carried at fair value through profit and loss	-	-
Purchase of investments carried at fair value through OCI	-	-
Purchase of investments carried at amortised cost	-	-
Payments to acquire financial assets	-	-
Purchase of property, plant and equipment	-110.21	915.88
Right of Use Asset	-	-
Purchase of intangible assets	-	-
Purchase of Biological Assets other than bearer plants	-	-
Purchase of other Investment	-	2.13
Ear marked deposits placed with banks	-	-
Bank deposits matured	-	-
Inter-corporate deposits matured	-	-
Proceeds from sale of investments carried at fair value through profit and loss	-	-
Proceeds from sale of investments carried at fair value through OCI	-	-
Proceeds from sale of investments carried at amortised cost	-	-
Proceeds from sale of financial assets	-	-
Proceeds from disposal of property, plant and equipment	-	-
Proceeds from disposal of intangible assets	-	-



Proceeds from ear marked deposits with banks	-	-
Proceeds from sale of other Investment	-	-
Loan and Advances(net)	-	-
Change in other non current assets	-	-
Dividend received	-	-0.12
Interest received	0.22	-0.87
Net cash (used in) / generated by investing activities	-109.99	917.02
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	-	-
Proceeds from short term borrowings	-	-
Repayment of shor term borrowings	-	-
Proceeds from long term borrowings	75.91	-653.69
Repayment of long term borrowings	-	-
Finance cost	-1.78	3.95
Dividend paid (including tax on dividend)	-	-
Issue of Equity Shares	-	-612.02
Buyback of Equity Shares	-	-
Issue of Preference Shares	-	-
Redemption of Preference Shares	-	-
Other Equity	-	-29.61
Net cash used in financing activities	74.13	-1,291.37
Net increase / (decrease) in cash and cash equivalents	-157.11	-37.06
Cash and cash equivalents at the beginning of the year	186.32	49.90
Exchange gain loss on Cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year	29.21	12.84

For and on behalf of Board of Directors,
Shangar Decor Limited (CIN: L36998GJ1995PLC028139)

Place: Ahmedabad
Date: 22/10/2024

Shah Samir A
Samir R Shah
Managing Director 00787630



Independent Auditors' Report

To the Members of,
Shangar Decor Limited

1. Opinion

We have audited the accompanying Ind-AS financial statements of **Shangar Decor Limited (the "Company")** which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (Including Other Comprehensive Income), the statement of changes in equity, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the financial statements").

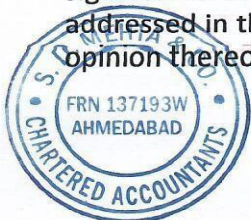
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Rule 3 of 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, 2024, 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 ("SA"s) 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.



📍 1601, 16th Floor, Himalaya Business Center, B/H BRTS Bus Stand,
Nr. RTO Cricle, 132 ft Ring Road, Ahmedabad - 380027

📞 079-2754 1742, 079-29911742, 9327610273 🌐 www.sdmca.in

Information Other than the Financial Statements and Auditor's Report Thereon

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015. 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 standalone financial statements, the respective Management and Board of Directors are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors are also responsible for overseeing the financial reporting process of each company.



3. Auditor's Responsibility for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the financial statements.

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



We communicate with those charged with governance of the Company and such other entities included in the financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

4. Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section (11) of section 143 of the Companies Act, 2013 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 of the afore said financial statements;
 - b. In our opinion proper books of account as required by law relating to preparation of the afore said financial statements 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 including other comprehensive Income, Statement of changes in equity and Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the financial statements.
 - 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 3 of the Companies (Indian Accounting Standards) Rules, 2015.
 - e. On the basis of written representations received from the directors as on March 31, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, 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"; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h. With respect to the 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.

iv. (a) The respective Managements of the Company, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

V. In Our Opinion and according to the information and explanation given to us, the company has not declare any dividend.

VI. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which did has a feature of recording audit trail facility enabled and the same was operated throughout the year for all relevant transactions recorded in the software.

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

Date: 30th May, 2024
Place: Ahmedabad
UDIN: 24032891BKAFZS6995



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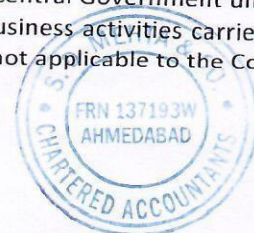
Shaishav Mehta
Partner
M.No.: 032891

Annexure-A to Independent Auditors' Report

Referred to in Paragraph 4(i) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

1. **In respect of Property, Plant and Equipment and Intangible Assets:**
 - a. The Company is maintained proper records showing full particulars, including quantitative details and situations of Property, Plant and Equipment.
The company does not have any intangible assets. Accordingly, reporting under clause (1)(b) of the Order is not applicable.
 - b. The Property, Plant and Equipment were 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 Property, Plant and Equipment 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.
 - d. The company has not revalued its Property, Plant and Equipment during the year. The company does not have any intangible assets.
 - e. The company doesn't have any proceedings initiated or are pending against for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there.
2.
 - 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 of accounts.
 - d. The para of having working capital limit sanctioned in excess of Rs.5 crores is not applicable to the company as the company does not have any sanctioned working capital limit.
3. The Company has neither made any investment nor granted any loans secured or unsecured to any companies, firms or other parties covered in the register required to be maintained under section 189 of the Companies Act, 2013.
4. The Company has complied with the provisions of section 185 and section 186 of the Companies Act 2013 in respect of the loans granted, investments made and guarantees and securities provided, as applicable.
5. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
6. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.



7. In respect of Statutory Dues:

- a. In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable are as under:.

Name of Statute	Nature of dues	Amount (Rs.)	Accounting Period to which the amount relates	Demand Raised By
Income Tax Act, 1961	Income Tax	21,10,110/-	2018-19	CPC, Income tax Department
Income Tax Act, 1961	Income Tax	32,89,230/-	2019-20	CPC, Income tax Department
Income Tax Act, 1961	Income Tax	13,19,670/-	2020-21	Assessing Officer, Income tax Department

- b. According to the information and explanation given to us, there were no dues of Goods and services tax, sales tax, Income tax and Cess which have not been deposited on account of any dispute.
8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- 9.
- a. The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- d. On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

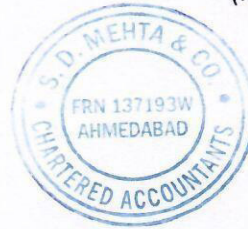


- e. On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f. The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable
- 10.
- a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- 11.
- a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b. No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
- c. We have taken into consideration the whistle blower complaints received by the Company during the year, while determining the nature, timing and extent of our audit procedures.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
13. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. The company has not provided internal audit report for the year and as such we are not able to give opinion on the internal audit system.
15. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. And hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- 16.
- a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.



17. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
18. There has been no resignation of the statutory auditors of the Company during the year.
19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- 20.
- a. In our opinion, as per section 135 of the Act, no amount was required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year. Accordingly, reporting under clause (xx) of the Order is not applicable to the Company.

Date: 30th May, 2024
Place: Ahmedabad
UDIN: 24032891BKAFZS6995



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

A handwritten signature in blue ink, appearing to read 'Shaishav Mehta'.

Shaishav Mehta
Partner
M.No.: 032891

Annexure-B to Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of **Shangar Decor Limited** ("the Company") as of 31 March 2024 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

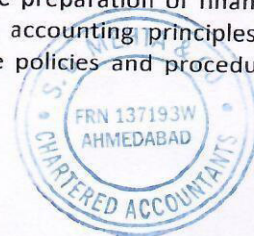
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on 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 2024, 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: 30th May, 2024
Place: Ahmedabad
UDIN: 24032891BKAFZS6995



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

A handwritten signature in blue ink, appearing to read "Shaishav Mehta".

Shaishav Mehta
Partner
M.No.: 032891

Shangar Decor Limited

CIN: L36998GJ1995PLC028139

Registered office: 4, Sharad Appartment, Opp. Dharnidhar Derasar, Paldi, Ahmedabad - 380009

Standalone Balance Sheet as at 31-03-2024

in Lakhs

Particulars	Note No	As at 31 March 2024	As at 31 March 2023
ASSETS			
Property, Plant and Equipment	4	1,250.03	1,178.51
Capital work-in-progress		-	-
Investment Property		-	-
Goodwill		-	-
Other intangible assets		-	-
Intangible assets under development		-	-
Financial Assets			
Investments	5	3.12	2.12
Trade receivables		-	-
Loans		-	-
Other financial assets		-	-
Deferred tax assets net		-	-
Other non-current assets		-	-
Total Non-current Assets		1,253.15	1,180.63
Current assets			
Inventories	6	208.92	261.28
Financial Assets			
Investments		-	-
Trade receivables	7	985.27	670.98
Cash and cash equivalents	8	186.32	24.08
Bank balances		-	-
Loans	9	36.46	33.20
Other financial assets		-	-
Other current assets	10	117.16	109.00
Total Current Assets		1,534.13	1,098.54
Total Assets		2,787.28	2,279.17
EQUITY and LIABILITIES			
Equity Share Capital	11	612.02	612.02
Other Equity	12	125.05	49.80
Total Equity		737.07	661.82
Non-current liabilities			
Financial Liabilities			
Borrowings	13	847.49	981.08
Lease liabilities		-	-
Trade Payables		-	-
total outstanding dues of micro enterprises and small enterprises		-	-
total outstanding dues of others		-	-
Other financial liabilities		-	-
Provisions		-	-
Deferred tax liabilities net		14.50	14.50
Other non-current liabilities		-	-
Total Non-current liabilities		861.99	995.58
Current liabilities			
Financial Liabilities			
Borrowings		-	-
Lease liabilities		-	-
Trade Payables	14	-	-
total outstanding dues of micro enterprises and small enterprises		-	-
total outstanding dues of others		1,083.40	610.54
Other financial liabilities		-	-
Other current liabilities	15	78.38	8.76
Provisions	16	26.44	2.47
Current Tax Liabilities (Net)		-	-
Total Current liabilities		1,188.22	621.77
Total liabilities		2,050.21	1,617.35
Total Equity and Liabilities		2,787.28	2,279.17

For & on Behalf of

S. D. Mehta & Co.

Chartered Accountants

FRN: 137193W

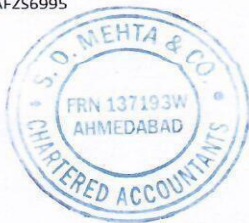
Shaishav D. Mehta

Partner 32891

UDIN: 24032891BKAFZS6995

Place: Ahmedabad

Date: 30/05/2024



For and on behalf of Board of Directors,

Shangar Decor Limited (CIN: L36998GJ1995PLC028139)

Samir R Shah

Managing Director 00787630

Place: Ahmedabad

Date: 30/05/2024

Saumil S Shah

CFO & Executive Director 01601299

Shangar Decor Limited
CIN: L36998GJ1995PLC028139

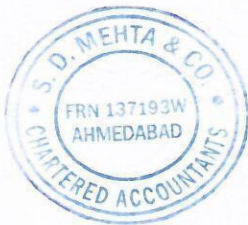
Registered office: 4, Sharad Appartment, Opp. Dharnidhar Derasar, Paldi, Ahmedabad - 380009
Standalone Profit & Loss for the period ended on 31-03-2024

in Lakhs

Particulars	Note No	For Year ended	
		31 March 2024	31 March 2023
Income			
Revenue From Operations	17	1,298.91	965.54
Other Income	18	0.50	1.18
Total Income		1,299.41	966.72
Expenses			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade	19	532.67	315.68
Changes in inventories of finished goods, Stock in Trade and work in progress	20	52.36	55.74
Employee benefits expense	21	28.24	27.61
Finance costs	22	4.67	5.54
Depreciation and amortization expense	23	133.12	124.09
Other expenses	24	441.90	410.30
Total Expenses		1,192.96	938.96
Profit/(loss) before exceptional items and tax		106.45	27.76
Exceptional Items		-	-
Profit/(loss) before tax		106.45	27.76
Tax expense			
Current tax		31.19	7.15
Deferred tax		-	-
Prior period tax		-	0.42
Total Tax expense		31.19	7.57
Profit/(loss) after tax for the period		75.26	20.19
Other Comprehensive Income			
OCI that will not be reclassified to P&L		-	-
OCI Income tax of items that will not be reclassified to P&L		-	-
OCI that will be reclassified to P&L		-	-
OCI Income tax of items that will be reclassified to P&L		-	-
Total Other Comprehensive Income		-	-
Total Comprehensive Income for the period		75.26	20.19
Earnings per equity share			
Basic	25	0.61	0.33
Diluted		0.61	0.33

For & on Behalf of
S. D. Mehta & Co.
Chartered Accountants
FRN: 137193W

Shaishav D. Mehta
Partner 32891
UDIN: 24032891BKAFZS6995
Place: Ahmedabad
Date: 30/05/2024



For and on behalf of Board of Directors,
Shangar Decor Limited (CIN: L36998GJ1995PLC028139)

Semir B Shah
Managing Director 00787630

Place: Ahmedabad
Date: 30/05/2024

Shd Semir B

Saumil S Shah
CFO & Executive Director 01601299



Shangar Decor Limited

CIN: L36998GJ1995PLC028139

Registered office: 4, Sharad Appartment, Opp. Dharnidhar Derasar, Paldi, Ahmedabad - 380009

Statement of change in Equity for the year ended on 31-03-2024

A. Equity Share Capital

Current reporting period

Particulars	Amount
As at 1 April 2023	612.02
Changes in Equity Share Capital due to Prior Period Errors	-
Restated Balance as at	612.02
Changes in Equity Share Capital during the year	-
As at 31 March 2024	612.02

Previous reporting period

Particulars	Amount
As at 1 April 2022	612.02
Changes in Equity Share Capital due to Prior Period Errors	-
Restated Balance as at	612.02
Changes in Equity Share Capital during the year	-
As at 31 March 2023	612.02

B. Other Equity

Current reporting period

Particulars	Reserves & Surplus	Total
	Retained Earnings	
Balance as at 1 April 2023	49.80	49.80
Changes in Accounting Policy or Prior Period Errors	-	-
Restated balance as at 1 April 2023	49.80	49.80
Add: Profit/(Loss) during the year	75.25	75.25
Total Comprehensive Income/(Expense)	125.05	125.05
Balance as at 31 March 2024	125.05	125.05

Other Equity

Previous reporting period

Particulars	Reserves & Surplus	Total
	Retained Earnings	
Balance as at 1 April 2022	29.61	29.61
Changes in Accounting Policy or Prior Period Errors	-	-
Restated balance as at 1 April 2022	29.61	29.61
Net profit/(loss) during the year	20.20	20.20
Total Comprehensive Income/(Expense)	49.80	49.80
Balance as at 31 March 2024	49.80	49.80

For & on Behalf of

S. D. Mehta & Co.

Chartered Accountants

FRN: 137193W

Shaishav D. Mehta

Partner 32891

UDIN: 24032891BKAFZS6995

Place: Ahmedabad

Date: 30/05/2024



For and on behalf of Board of Directors,

Shangar Decor Limited (CIN: L36998GJ1995PLC028139)

Samir R Shah

Managing Director 00787630

Shub Samir R

Place: Ahmedabad

Date: 30/05/2024

Saumil S Shah

Saumil S Shah

CFO & Executive Director 01601299



Shangar Decor Limited
CIN: L36998GJ1995PLC028139

Registered office: 4, Sharad Appartment, Opp. Dharnidhar Derasar, Paldi, Ahmedabad - 380009
Standalone Cash Flow Statement for the period ended on 31-03-2024

Particulars	Note No	in Lakhs	
		For Year ended 31 March 2024	For Year ended 31 March 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		75.25	20.20
Adjustments for:			
Depreciation and amortisation			
(Gain)/Loss on disposal of property, plant and equipment		133.12	124.10
(Gain)/Loss on disposal of Investments		-	-
(Gain)/Loss on investments measured at fair value through profit and loss		-	-
Provision for Income tax		-	-
Non cash expenses 1		31.19	-
Non cash expenses 2		-	4.05
Bad debts, provision for trade receivables and advances, net		-	-
Finance Cost		4.67	-
Interest Income		-0.38	-
Dividend Income		-0.12	-
Unrealised (gain) / loss		-	-
Operating profit before working capital changes		243.73	148.35
Adjustment for (increase) / decrease in operating assets			
Trade receivables		-314.29	-52.35
Unbilled revenue		-	-
Loans & Advances		-3.26	-6.04
Other financial assets		-	-
Inventories		52.36	55.74
Other assets		-8.16	1.02
Other assets ¹		-	-
Adjustment for (Increase) / decrease in operating liabilities			
Trade payables		472.86	-97.72
Employee benefit obligation		-	-
Other financial liabilities		-	-
Other Liabilities		69.62	2.72
Provisions		23.97	-8.02
Other Liabilities 1		-	-
Cash generated from operations		536.83	43.70
Income tax paid (net)		-31.19	-
Net cash generated by operating activities		505.64	43.70
CASH FLOWS FROM INVESTING ACTIVITIES			
Bank deposits placed		-	-
Inter-corporate deposits placed		-	-
Purchase of investments carried at fair value through profit and loss		-	-
Purchase of investments carried at fair value through OCI		-	-
Purchase of investments carried at amortised cost		-	-
Payments to acquire financial assets		-	-
Purchase of property, plant and equipment		-204.65	-378.18
Right of Use Asset		-	-
Purchase of intangible assets		-	-
Purchase of Biological Assets other than bearer plants		-	-
Purchase of other Investment		-1.00	-
Ear marked deposits placed with banks		-	-
Bank deposits matured		-	-
Inter-corporate deposits matured		-	-
Proceeds from sale of investments carried at fair value through profit and loss		-	-
Proceeds from sale of investments carried at fair value through OCI		-	-
Proceeds from sale of investments carried at amortised cost		-	-
Proceeds from sale of financial assets		-	-
Proceeds from disposal of property, plant and equipment		-	-
Proceeds from disposal of intangible assets		-	-
Proceeds from ear marked deposits with banks		-	-
Proceeds from sale of other Investment		-	-
Loan and Advances(net)		-	-



Change in other non current assets	-	-
Dividend received	0.12	-
Interest received	0.38	-
Net cash (used in) / generated by investing activities	-205.15	-378.18
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	-	-
Proceeds from short term borrowings	-	-
Repayment of short term borrowings	-	-
Proceeds from long term borrowings	-133.59	332.74
Repayment of long term borrowings	-	-
Finance cost	-	-
Dividend paid (including tax on dividend)	-4.67	-
Issue of Equity Shares	-	-
Buyback of Equity Shares	-	-
Issue of Preference Shares	-	-
Redemption of Preference Shares	-	-
Other Equity	-	-
Net cash used in financing activities	-138.26	332.74
Net increase / (decrease) in cash and cash equivalents	162.23	-1.74
Cash and cash equivalents at the beginning of the year	24.08	25.82
Exchange gain loss on Cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year	186.31	24.08

Particulars	For Year ended 31 March 2024	For Year ended 31 March 2023
Reconciliation of Cash and Cash Equivalents with Balance Sheet:		
Cash and cash equivalents includes		
Cash on hand	41.94	15.80
Balances with Banks	144.37	8.29

For & on Behalf of
S. D. Mehta & Co.
Chartered Accountants
FRN: 137193W

Shaishav D. Mehta
Shaishav D. Mehta
Partner 32891
UDIN: 24032891BKAFZ56995
Place: Ahmedabad
Date: 30/05/2024



For and on behalf of Board of Directors,
Shangar Decor Limited (CIN: L36998GJ1995PLC028139)

Samir R Shah
Samir R Shah
Managing Director 00787630
Place: Ahmedabad
Date: 30/05/2024

Saumil S Shah
Saumil S Shah
CFO & Executive Director 01601299



Shangar Decor Limited

Notes forming part of the Standalone Financial Statements

1 COMPANY INFORMATION

Shangar Decor Ltd ("the Company") is a listed entity incorporated in India in the year 1995. The Registered office of the company is located at 4 Sharad Flats Opp-Dharnidhar temple, Ahmedabad, Gujarat, India, 380007. The Company is Primarily engaged in engaged in "décor related services that range from – Pre-wedding events, Theme wedding, Corporate events, Religious events, Property décor, Lights décor and Catering" operating services. The Shares of the company are listed in Bombay Stock Exchange.

2 Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

3 SIGNIFICANT ACCOUNTING POLICIES

a Basis of Preparation

These standalone financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

b Use of estimates

The preparation of standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Company to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of standalone financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its standalone financial statements

(i) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(ii) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(iii) Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

(iv) Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to assess contingent liabilities. Contingent liabilities are recognised when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the standalone financial statements.



c Property, Plant and Equipment

Property, plant and equipment (including furniture, fixtures, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Freehold land is not depreciated.

Capital work in progress is stated at cost, net of impairment loss, if any. Cost includes items directly attributable to the construction or acquisition of the item of property, plant and equipment, and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is charged on a pro-rata basis at the straight line method over estimated economic useful lives of its property, plant and equipment generally in accordance with that provided in the Schedule II to the Act as provided below and except in respect of moulds and dies which are depreciated over their estimated useful life of 1 to 7 years, wherein, the life of the said assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. The useful lives for various property, plant and equipment are given below:

Type of Assets	Period
Buildings	3 - 30 Years
Plant and Equipment	2 - 15 Years
Furniture and Fixtures	3 - 10 Years
Vehicles	5 - 20 Years
Office equipment	2 - 20 Years
Computers	3 - 10 Years

d Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

e Impairment

At the end of each reporting period, the Company assesses, whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.



In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

the Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's cash generating unit (CGU).

If the recoverable amount of an asset (or cashgenerating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cashgenerating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cashgenerating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

f Financial instruments

A financial instrument is any contract that gives rise to asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts, cross currency interest rate swaps, interest rate swaps and currency options; and embedded derivatives in the host contract.

Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the company commits to purchase or sell the asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the company commits to purchase or sell the asset.

Classifications

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value through other comprehensive income (FVOCI) or fair value through Profit and Loss Account (FVTPL) on the basis of either Company's business model for managing the financial assets or Contractual cash flow characteristics of the financial assets.

Business model assessment

The company makes an assessment of the objective of a business model in which an asset is held at an instrument level because this best reflects the way the business is managed and information is provided to management.

Debt instruments at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- It is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.



Debt instrument at fair value through Other Comprehensive Income (FVOCI)

Debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

Debt instrument at fair value through profit and loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency referred to as 'accounting mismatch'.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value and all changes in fair value are recorded in FVTPL. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI and fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and at FVOCI.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity revert to recognizing impairment loss allowance based on 12 month ECL.



Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Financial guarantee contracts

Financial guarantee contract issued by the Company is contracts that require a payment to be made to reimburse the holder for a loss it incurs because, the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109, and the transaction amount recognised less cumulative amortisation.

Derecognition of financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.



Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

g Investments

Investment property is a property held to earn rentals and capital appreciation. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured in accordance with Ind AS 16's requirements for cost model.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

h Employee Benefits

(i) Post-employment benefit plans

Contributions to defined contribution retirement benefit schemes are recognised as expense when employees have rendered services entitling them to such benefits.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the statement of profit and loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, or amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

(ii) Other employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave, overseas social security contributions and performance incentives.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

i Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

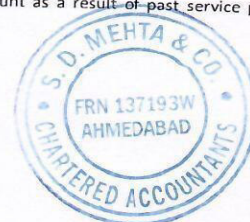
Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government).

Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

j Employee benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.



Accumulated compensated absences which are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are treated as short-term benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The company has following defined contribution plans:

(i) Provident fund

The Company makes specified monthly contributions towards Provident Fund and Employees State Insurance Corporation ('ESIC'). The contribution is recognized as an expense in the Statement of Profit and Loss during the period in which employee renders the related service.

Defined benefit plans

The company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs

The company has following defined benefit plans:

Gratuity

The company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary and contributes to the Gratuity Trust fund formed by the Company. The contributions made are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet. Remeasurements are recognized in the Other Comprehensive Income, net of tax in the year in which they arise.

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

The company has following long term employment benefit plans:

Leave Encashment

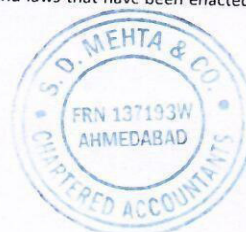
Leave encashment is payable to eligible employees at the time of retirement. The liability for leave encashment, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

k Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.



Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- (ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that 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 utilised, except:

- (i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- (ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1 Foreign currency transactions

Transactions in foreign currencies are translated into the Company's functional currency at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.



The gain or loss arising on translation of nonmonetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

m Inventories

Inventories comprising Raw materials, work-in-progress, stores and spares, loose tools, traded goods and finished goods are stated at the lower of cost and net realisable value. Costs of inventories are determined on a moving average.

Finished goods and work-in-progress include appropriate proportion of manufacturing overheads at normal capacity and where applicable, duty. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

n Provisions

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

The amount recognised 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. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

o Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

p Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

For & on Behalf of
S. D. Mehta & Co.
Chartered Accountants
FRN: 137193W

For and on behalf of Board of Directors,
Shangar Decor Limited (CIN: L36998GJ1995PLC028139)

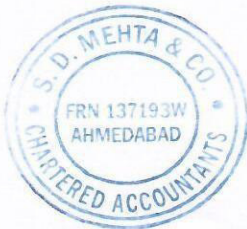
Shaishav D. Mehta
Partner 32891
UDIN: 24032891BKAFZS6995

Samir R Shah
Managing Director 00787630

Saumil S Shah
Saumil S Shah
CFO & Executive Director 01601299

Place: Ahmedabad
Date: 30/05/2024

Place: Ahmedabad
Date: 30/05/2024



Notes forming part of the Standalone Financial Statements

Property, Plant and Equipment

Name of Assets	Gross Block		Depreciation and Amortization		Net Block				
	As on 1 April 2023	Addition	Deduction	As on 31 March 2024	As on 31 March 2024	As on 31 March 2023			
	As on 31 March 2024		for the year		As on 31 March 2024				
(I) Property, Plant and Equipment									
Air Conditioner	5.60	2.02	-	7.62	2.99	1.03	4.02	3.60	2.61
Computer	2.19	1.26	-	3.44	1.05	0.38	1.03	1.42	1.14
Decorate Wooden	47.48	-	-	47.48	13.97	3.54	3.54	17.51	29.98
Decorate Furniture@12%	45.30	12.52	-	57.82	8.14	5.26	13.41	44.41	33.51
Decorate Furniture@18%	621.71	185.50	-	807.21	133.03	67.10	200.13	607.08	37.15
Decorate Furniture@28%	1.24	-	-	1.24	0.43	0.10	0.53	0.71	0.81
Decorate Furniture@5%	342.17	1.70	-	343.87	80.46	28.11	108.57	235.30	261.70
Decorate Steel & Dome	247.06	9.15	34.02	222.20	30.85	10.35	41.20	180.99	216.21
Electric Fittings	0.80	-	-	0.80	0.45	0.09	0.54	0.26	0.35
Electrical Goods	46.59	21.39	-	67.98	11.05	6.11	17.16	50.82	35.54
Godown Building	44.26	-	-	44.26	5.56	1.88	7.45	36.81	38.70
Imnova Car	0.46	-	-	0.46	0.16	0.04	0.20	0.26	0.30
Mobile Telephone	3.71	-	-	3.71	2.05	0.42	2.47	1.24	1.65
Mobile Telephone@28%	0.09	-	-	0.09	0.03	0.01	0.04	0.05	0.06
Motor Car Skoda Superb	1.31	-	-	1.31	0.92	0.12	1.04	0.27	0.39
Motor Car SX4	0.57	-	-	0.57	0.40	0.05	0.46	0.12	0.17
Office Building	0.35	-	-	0.35	0.28	0.00	0.29	0.06	0.07
Office Furniture	0.16	-	-	0.16	0.10	0.02	0.12	0.04	0.06
Pagoda Structure	35.04	-	-	35.04	16.78	0.89	17.67	17.37	18.26
Maruti Eco	2.67	-	-	2.67	0.92	0.22	1.14	1.53	1.75
Weight Machine	0.09	-	-	0.09	0.05	0.01	0.06	0.03	0.03
Vehicles	1.02	-	-	1.02	0.35	0.08	0.44	0.59	0.67
Vessels@18%	6.32	3.81	-	10.13	1.09	0.58	1.67	8.46	5.23
Godown Building@28%	0.33	-	-	0.33	0.04	0.01	0.05	0.28	0.30
Washing Machine	0.89	-	-	0.89	0.58	0.08	0.66	0.23	0.31
Sewing Machine	0.39	-	-	0.39	0.25	0.03	0.29	0.10	0.14
CCTV	0.54	-	-	0.54	0.13	0.05	0.18	0.35	0.41
Vessels	24.32	0.18	-	24.49	7.17	1.75	8.92	15.57	17.14
Fata Harrier Motor Car	20.64	-	-	20.64	5.49	4.73	10.22	10.42	15.15
Apple iPhone 15 Plus	-	0.78	-	0.78	-	0.04	0.04	0.74	-
Hisense Panels LED	-	0.35	-	0.35	-	0.03	0.03	0.32	-
Total	1,503.31	238.67	34.02	1,707.96	324.80	133.12	457.52	1,250.04	1,178.51
Previous Year	1,125.12	378.18	-	1,503.31	200.71	124.10	324.80	1,178.51	924.42



Shangar Decor Limited

Notes forming part of the Standalone Financial Statements

5 Investments - non current

Particulars	in Lakhs	
	As at 31 March 2024	As at 31 March 2023
Investment in others at cost Unquoted	3.12	2.12
Total	3.12	2.12

5.1 Details of Investments

Name of Entity	Amount	Current Year	Amount	Previous Year
Ahmedabad Co. Op. Bank Shares	1,87,500	1.875	1,87,500	1.88
The United Co. Op. Bank Shares	1,25,000	1.25	25,000	0.25

6 Inventories

Particulars	in Lakhs	
	As at 31 March 2024	As at 31 March 2023
Stock-in-trade	208.92	261.28
Total	208.92	261.28

7 Trade receivables - current

Particulars	in Lakhs	
	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good	985.27	670.98
Total	985.27	670.98

Trade Receivables Ageing schedule

Particulars	Undue	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables							
-considered good	-	475.77	13.19	6.04	132.61	357.66	985.27
-which have significant increase in credit risk	-	-	-	-	-	-	-
-credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables							
-considered good	-	-	-	-	-	-	-
-which have significant increase in credit risk	-	-	-	-	-	-	-
-credit impaired	-	-	-	-	-	-	-
Sub Total	-	475.77	13.19	6.04	132.61	357.66	985.27
Unbilled - considered good	-	-	-	-	-	-	-
Unbilled - which have significant increase in credit risk	-	-	-	-	-	-	-
Unbilled - credit impaired	-	-	-	-	-	-	-
Provision for doubtful debts	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	985.27

For Previous Year

Particulars	Undue	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables							
-considered good	-	101.70	75.52	65.64	0.39	427.73	670.98
-which have significant increase in credit risk	-	-	-	-	-	-	-
-credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables							
-considered good	-	-	-	-	-	-	-
-which have significant increase in credit risk	-	-	-	-	-	-	-
-credit impaired	-	-	-	-	-	-	-
Sub Total	-	101.70	75.52	65.64	0.39	427.73	670.98
Unbilled - considered good	-	-	-	-	-	-	-
Unbilled - which have significant increase in credit risk	-	-	-	-	-	-	-
Unbilled - credit impaired	-	-	-	-	-	-	-
Provision for doubtful debts	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	670.98



8 Cash and cash equivalents

Particulars	in Lakhs	
	As at 31 March 2024	As at 31 March 2023
Balances with Banks	144.38	8.29
Cash on hand	41.94	15.79
Total	186.32	24.08

9 Loans - current financial assets

Particulars	in Lakhs	
	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good	36.46	33.20
Total	36.46	33.20

10 Other current assets

Particulars	in Lakhs	
	As at 31 March 2024	As at 31 March 2023
Balances with government authorities	28.54	35.02
Prepaid expenses	-	1.09
Deposits	88.62	72.89
Total	117.16	109.00

Balance with government authorities includes the TDS Receivables

11 Equity Share Capital

Particulars	in Lakhs	
	As at 31 March 2024	As at 31 March 2023
Authorised Share Capital 14000000 (PY - 14000000) Equity Shares of Rs. 5 each		1,400.00
Issued, subscribed & fully paid up 12240400 (PY - 6120200) Equity Shares of Rs. 5 each	612.02	612.02
Total	612.02	612.02

Reconciliation of Share Capital

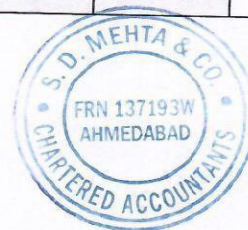
Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of Shares	Amount	Number of Shares	Amount
Opening Balance	1,22,40,400	612.02	1,22,40,400	612.02
Changes due to prior period error	-	-	-	-
Issued during the year	-	-	-	-
Adjustment	-	-	-	-
Deletion	-	-	-	-
Closing balance	1,22,40,400	612.02	1,22,40,400	612.02

Rights, preferences and restrictions attached to shares

Equity Shares: The Company has one class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Equity Share holder holding more than 5%

Name of Share Holder	As at 31 March 2024		As at 31 March 2023	
	No of Shares	% of Shareholding	No of Shares	% of Shareholding
Parul Samir Shah	8,25,200	6.74%	8,25,200	6.74%
Vipul Shah	11,45,000	9.35%	11,45,000	9.35%



Shares held by promoters at the end of the year

Name of Promotor	Class of Shares Equity/Preference	No. of Shares	% of total shares	% Change during the year
Samir Rasiklal Shah	Equity	1,93,988	1.58%	0.00%
Saumil Shrenik Shah	Equity	5,70,000	4.66%	0.00%
Parul Samir Shah	Equity	8,25,200	6.74%	0.00%
Vipul Shah	Equity	11,45,000	9.35%	0.00%
Himani Shah	Equity	25,200	0.21%	0.00%
Moulin Shah	Equity	25,200	0.21%	0.00%
Sahil Shah	Equity	25,200	0.21%	0.00%

Previous Year

Name of Promotor	Class of Shares Equity/Preference	No of Shares	% of total shares	% Change during the year
Samir Rasiklal Shah	Equity	1,93,988	1.58%	0.00%
Saumil Shrenik Shah	Equity	5,70,000	4.66%	0.00%
Parul Samir Shah	Equity	8,25,200	6.74%	0.00%
Vipul Shah	Equity	11,45,000	9.35%	0.00%
Himani Shah	Equity	25,200	0.21%	0.00%
Moulin Shah	Equity	25,200	0.21%	0.00%
Sahil Shah	Equity	25,200	0.21%	0.00%

12 Other Equity

Particulars	in Lakhs	
	As at 31 March 2024	As at 31 March 2023
Retained earnings		
Others		
Profit/(Loss) for the period	49.79	29.62
Other items of OCI	75.26	20.18
Other comprehensive Income for the period	-	-
Total	125.05	49.80

Movement of Other Equity

Particulars	in Lakhs	
	As at 31 March 2024	As at 31 March 2023
Retained Earnings		
Balance at the beginning of the year	49.80	29.61
Add: Profit/(Loss) during the year	75.25	20.20
Less: Appropriation		
Balance at the end of the year	125.05	49.80
Total	125.05	49.80

13 Borrowings - non current financial liabilities

Particulars	in Lakhs	
	As at 31 March 2024	As at 31 March 2023
Secured Term loans from Bank	38.73	42.37
Unsecured Other loans	808.76	938.71
Total	847.49	981.08

Terms of Repayment

Sr No	Name of Lender	Amount	Details	Security
1	The United Co. Op. Bank	50.00	Interest Rate: 11% Tenure: 120 months Installment Amount - 68875.01	Secured on office building at 4, Sharad Flat (Shardul Co. Op. Hsg. Soc. Ltd), Opp. Dharnidhar Derasar, Vikasgruh Road, Paldi, Ahmedabad - 380007



14 Trade Payables - current

Particulars	in Lakhs	
	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of Creditor of other than Micro Enterprise and small enterprise		
Others	1,066.40	593.54
Advance from customers	17.00	17.00
Total	1,083.40	610.54

Trade Payables ageing schedule (Current Year)

Particulars	Unbilled	Undue	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
			(i) MSME	-	-	-	
(ii) Others	-	-	638.36	14.48	49.25	364.31	1,066.39
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-
Total							1,066.39
MSME - Undue							
Others - Undue							17.00
Total							1,083.39

Trade Payables ageing schedule (Previous Year)

Particulars	Unbilled	Undue	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
			MSME	-	-	-	
Others	-	-	193.75	19.76	3.51	376.52	593.54
Disputed dues- MSME	-	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-	-
Total							593.54
MSME - Undue							
Others - Undue							17.00
Total							610.54

15 Other current liabilities

Particulars	in Lakhs	
	As at 31 March 2024	As at 31 March 2023
Statutory dues payable		
EPS Payable	0.01	0.17
ESIC Payable	-	0.05
GST Payable	70.96	-
PF Payable	0.02	0.23
PT Payable	0.01	-
TDS Payable	6.80	8.31
Dividend Payable	0.58	-
Total	78.38	8.76

16 Provisions - current

Particulars	in Lakhs	
	As at 31 March 2024	As at 31 March 2023
Provision for others		
Income Tax Provision	26.44	1.46
Provision for Expenses	-	1.01
Total	26.44	2.47



17 Revenue From Operations

Particulars	in Lakhs	
	For Year ended 31 March 2024	For Year ended 31 March 2023
Sale of services Sales	1,298.91	965.54
Total	1,298.91	965.54

18 Other Income

Particulars	in Lakhs	
	For Year ended 31 March 2024	For Year ended 31 March 2023
Interest income	0.38	1.04
Dividend income	0.12	0.12
Kasar Vata	-	0.02
Total	0.50	1.18

19 Purchases of Stock-in-Trade

Particulars	in Lakhs	
	For Year ended 31 March 2024	For Year ended 31 March 2023
Purchases	532.67	315.68
Total	532.67	315.68

20 Changes in inventories of finished goods, Stock in Trade and work in progress

Particulars	in Lakhs	
	For Year ended 31 March 2024	For Year ended 31 March 2023
Opening stock Stock in trade	261.28	317.02
Less: Closing Stock Stock in trade	208.92	261.28
Total	52.36	55.74

21 Employee benefits expense

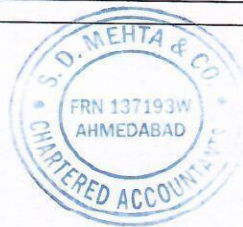
Particulars	in Lakhs	
	For Year ended 31 March 2024	For Year ended 31 March 2023
Salaries and wages		
Others	6.61	6.00
Director Remuneration	19.45	19.40
House Rent Allowance	1.92	1.92
Contribution to provident and other fund	0.26	0.29
Total	28.24	27.61

22 Finance costs

Particulars	in Lakhs	
	For Year ended 31 March 2024	For Year ended 31 March 2023
Interest expenses	4.67	5.54
Total	4.67	5.54

23 Depreciation and amortization expense

Particulars	in Lakhs	
	For Year ended 31 March 2024	For Year ended 31 March 2023
Depreciation on Property, Plant and Equipments	133.12	124.09
Total	133.12	124.09



24 Other expenses

in Lakhs

Particulars	For Year ended 31 March 2024	For Year ended 31 March 2023
Administrative expenses		
Bad Debt	-	0.70
Cleaning Exp.	6.24	1.54
Computer Exp.	0.16	0.27
Consumable Exp.	3.03	0.77
Decoration Exp.	17.11	26.38
Design Exp.	0.13	0.04
Director's Seating Fees	0.36	-
Donation Expense	-	0.72
Electric Exp.	9.63	18.34
Freight Exp.	0.67	0.01
GAS Fuel Exp.	5.81	13.20
General Construction of Services of other Civil	-	89.23
Gift Expense	6.25	-
Godown Building Maintenance & REPAIRS	0.53	1.31
Godown Rent Expense	24.18	22.27
GST EXPENSE	0.65	0.03
Insurance Exp.	3.26	1.69
INTEREST - PROFESSIONAL TAX	0.17	0.09
Interest on TDS	-	0.63
Labour Exps.	-	40.22
Legal, Professional and Consultancy Fees	5.01	2.59
Licence Fees	13.92	37.90
Listing Fees	6.52	8.00
Municipal Tax	3.60	12.92
Office Expenses	3.53	5.30
Other Administrative Expenses	1.64	3.27
Penalty Tds	1.79	-
Petrol Expense	0.25	3.28
Preliminary Exp	-	4.05
Professional Fees	-	1.07
PROFESSIONAL TAX EXPS. (Company)	0.03	-
Rent Expense	240.70	44.76
Repair & Maintainance Exp.	39.46	14.14
ROC/CDSL Charges	2.09	0.06
Royalty Fees	4.41	8.91
Security Services/Payment Services	0.32	24.93
Stationery & Printing Exp.	0.43	0.53
SUPERVISION CHARGES	0.74	-
Telephone expense	0.15	0.10
Transportation Expense	36.19	14.11
Travelling expense	0.24	0.82
Vehicle Repairing Exp.	2.54	5.35
Sales Promotion Expense	0.16	0.77
Total	441.90	410.30



Shangar Decor Limited

Notes forming part of the Standalone Financial Statements

25 Earning per share

Particulars	For Year ended 31 March 2024	For Year ended 31 March 2023
Profit for the year ` in Lakhs	75.26	20.19
Less: Dividend on Preference Shares ` in Lakhs	-	-
Profit attributable to equity shareholders ` in Lakhs	75.26	20.19
Weighted average number of Equity Shares	1,22,40,400.00	61,20,200.00
Earnings per share basic (Rs)	0.61	0.33
Earnings per share diluted (Rs)	0.61	0.33
Face value per equity share (Rs)	5.00	10.00

26 Defined Contribution Plan

Particulars	For Year ended 31 March 2024	For Year ended 31 March 2023
Employers Contribution to Provident Fund	0.07	0.07
Employers Contribution to Pension Scheme 1995	0.11	0.11
Employers Contribution to Superannuation Fund	0.05	0.05
Employers Contribution to Employee State Insurance	0.05	0.05
Employers Contribution to Labour Welfare Fund	-	-

27 Auditors' Remuneration

Particulars	For Year ended 31 March 2024	For Year ended 31 March 2023
Payments to auditor as		
- Auditor	0.71	1.55
- for taxation matters	-	-
- for company law matters	-	-
- for management services	-	-
- for other services	-	-
- for reimbursement of expenses	-	-
Total	0.71	1.55

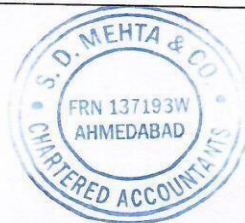
28 Related Party Disclosure

(i) List of Related Parties

	Relationship
Samir Rasiklal Shah	Managing Director
Saumil Shrenikbhai Shah	Executive Director
Mr. Maulin Shah	Director
Mr. Dhairya Thakkar	Independent Director
Mr. Manish Shrichand Bachani	Independent Director
Ms. Chinu Kalal	Independent Director

(ii) Related Party Transactions

Particulars	Relationship	For Year ended 31 March 2024	For Year ended 31 March 2023
Remuneration			
- Samir Rasiklal Shah	Managing Director	9.00	9.00
- Saumil Shrenikbhai Shah	Executive Director	10.40	10.40
Sitting Fees			
- Mr. Manish Shrichand Bachani	Independent Director	0.18	-
- Ms. Chinu Kalal	Independent Director	0.18	-
Repayment of Loan			
- Mr. Maulin Shah	Director	0.99	-



(iii) Related Party Balances

Particulars	Relationship	in Lakhs	
		As at 31 March 2024	As at 31 March 2023
Unsecured Loan			
- Samir Rasiklal Shah	Managing Director	792.23	924.69
- Mr. Maulin Shah	Director	1.49	2.49
Remuneration Payable			
- Samir Rasiklal Shah	Managing Director	0.05	8.09
- Saamil Shrenikbhai Shah	Executive Director	-	13.53

29 Financial Instrument

Financial Risk Management - Objectives and Policies

The key objective of the Company's financial risk management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Company is focused on maintaining a strong equity base to ensure independence, security, as well as financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

Company's principal financial liabilities, comprise Borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance Company's operations. Company's principal financial assets include trade and other receivables and cash & cash equivalents. Company is exposed to interest rate risk, credit risk and liquidity risk.

The Company's Board oversees the management of these risks. The Company's Board is supported by senior management team that advises on financial risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance to the Company's Board that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

A. Financial Assets and Liabilities

Particulars	As at 31 March 2024			As at 31 March 2023		
	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI
Assets Measured at						
Investments	3.13	-	-	2.13	-	-
Trade receivables	985.27	-	-	670.98	-	-
Cash and cash equivalent	186.32	-	-	24.08	-	-
Other bank balances	-	-	-	-	-	-
Loans	36.46	-	-	33.20	-	-
Non current Financial Assets (A)	-	-	-	-	-	-
Current Other financial assets (A)	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-
Total	1,211.18	-	-	730.39	-	-
Liabilities Measured at						
Borrowings	847.49	-	-	981.08	-	-
Trade payables	1,083.39	-	-	610.54	-	-
Lease liabilities	-	-	-	-	-	-
Non current Other financial liabilities (A)	-	-	-	-	-	-
Other financial liabilities (A)	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
Total	1,930.88	-	-	1,591.62	-	-

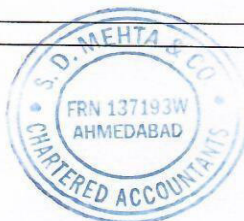
B. Market Risk

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial liability will fluctuate because of changes in market interest rates.

(i) Exposure to Interest Rate Risk

Particulars	in Lakhs	
	As at 31 March 2024	As at 31 March 2023
Borrowing bearing fixed rate of interest	38.73	42.37
Borrowing bearing variable rate of interest	-	-
Total	38.73	42.37



(ii) Sensitivity Analysis

The sensitivity analysis in the following sections relate to the position as at March 31, 2024 and March 31, 2023. The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks.

Profit or loss is sensitive to higher/lower interest expenses from borrowings as a result of change in interest rates.

Particulars	in Lakhs	
	As at 31 March 2024	As at 31 March 2023
Interest Rate - Increase by 50 basis points	(0.19)	(0.21)
Interest Rate - Decrease by 50 basis points	0.19	0.21
Total		

C. Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk mainly from its operating activities (primarily trade receivables).

Credit risk on trade receivables is managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company has no concentration of risk as customer base is widely distributed both economically and geographically.

Particulars	in Lakhs	
	As at 31 March 2024	As at 31 March 2023
Low Credit Risk	-	-
Cash and Cash Equivalents	186.32	24.08
Trade Receivables	985.27	670.98
Loans	36.46	33.20
Investments	3.13	2.13
Moderate/High Credit Risk	-	-
Other receivables	-	-
Total	1,211.17	730.39

D. Liquidity Risk

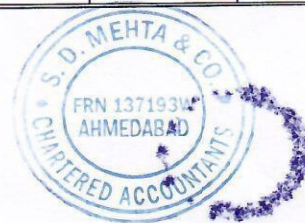
Liquidity risk is the risk that the Company may not be able to meet its present and future cash flow obligations without incurring unacceptable losses. Company's objective is to, at all time maintain optimum levels of liquidity to meet its cash requirements. Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including overdraft, debt from banks at optimised cost and cash flow from operations.

Maturity Table for Financial Liabilities
For Current Year

Particulars	in Lakhs				
	Less than 1 year	1- 2 Years	2-3 Years	More than 3 Years	Total
Borrowings	-	-	808.76	38.73	847.49
Trade Payables	1,083.39	-	-	-	1,083.39
Other Financial Liabilities	-	-	-	-	-
Others 1	-	-	-	-	-
Others 2	-	-	-	-	-
Total	1,083.39	-	808.76	38.73	1,930.88

For Previous Year

Particulars	in Lakhs				
	Less than 1 year	1- 2 Years	2-3 Years	More than 3 Years	Total
Borrowings	-	-	-	981.08	981.08
Trade Payables	610.54	-	-	-	610.54
Other Financial Liabilities	-	-	-	-	-
Others 1	-	-	-	-	-
Others 2	-	-	-	-	-
Total	610.54	-	-	981.08	1,591.61



E. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. Company monitors capital using a gearing ratio, which is net debts divided by total equity plus net debts. Net debt are non-current and current borrowings as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components including other comprehensive income.

Particulars	in Lakhs	
	As at 31 March 2024	As at 31 March 2023
Total Borrowings	847.49	981.08
Less: Cash and cash equivalents	186.32	24.08
Net Debts (A)	661.17	957.00
Total Equity (B)	737.07	661.82
Capital Gearing Ratio (A/B)	0.90	1.45

30 Ratio Analysis

Particulars	Numerator/Denominator	As at 31 March 2024	As at 31 March 2023	Change in %	Reasons
(a) Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.29	1.77	-26.92%	Due to increase in current liabilities
(b) Debt-Equity Ratio	$\frac{\text{Total Debts}}{\text{Equity}}$	1.15	1.48	-22.44%	Due to decrease in borrowings
(c) Debt Service Coverage Ratio	$\frac{\text{Earning available for Debt Service}}{\text{Interest + Installments}}$	0.29	0.16	79.63%	Due to decrease in borrowings
(d) Return on Equity Ratio	$\frac{\text{Profit after Tax}}{\text{Average Shareholder's Equity}}$	0.11	0.03	247.19%	Due to increase in net profit
(e) Inventory turnover ratio	$\frac{\text{Total Turnover}}{\text{Average Inventories}}$	5.52	3.34	65.46%	Due to increase in revenues
(f) Trade receivables turnover ratio	$\frac{\text{Total Turnover}}{\text{Average Account Receivable}}$	1.57	1.50	4.75%	
(g) Trade payables turnover ratio	$\frac{\text{Total Purchases}}{\text{Average Account Payable}}$	0.63	0.48	-31.02%	Due to proportionate increase in trade payables
(h) Net capital turnover ratio	$\frac{\text{Total Turnover}}{\text{Average Working Capital}}$	3.16	2.26	39.76%	Due to increase in revenues
(i) Net profit ratio	$\frac{\text{Net Profit}}{\text{Total Turnover}}$	0.06	0.02	176.98%	Due to increase in net profit
(j) Return on Capital employed	$\frac{\text{Earning before interest and taxes}}{\text{Capital Employed}}$	0.07	0.02	245.84%	Due to increase in net profit
(k) Return on investment	$\frac{\text{Return on Investment}}{\text{Total Investment}}$	0.04	0.06	-38.80%	Due to increase in investments

31 Regrouping

The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

For & on Behalf of
S. D. Mehta & Co.
Chartered Accountants
FRN: 137193W

Shaishav D. Mehta
Partner 32891
UDIN: 24032891BKAFZS6995

For and on behalf of Board of Directors,
Shangar Decor Limited (CIN: L36998GJ1995PLC028139)

Samir R Shah
Managing Director 00787630

Saumil S Shah
CFO & Executive Director 01601299

Place: Ahmedabad
Date: 30/05/2024



Place: Ahmedabad
Date: 30/05/2024



CAPITALISATION STATEMENT

The following table sets forth our capitalization and total debt as of March 31, 2024 (based on our Audited Financial Statements) and as adjusted to give effect to the Issue. This table should be read in conjunction with the section titled ‘ *Financial Statements*’, ‘ *Risk Factors*’, ‘ *Management’s Discussion and Analysis of Financial Position and Results of Operations*’ and ‘ *Other Financial Information*’.

(Rs in Lakhs)

Particulars	PRE ISSUE 31 st March, 2024	POST ISSUE
Borrowings:		
Short term Debt (A)	0	0
Long-term Debt (B)	847.49	847.49
Total debts (C)	847.49	847.49
Shareholders’ funds		
Equity Share capital	612.02	4896.16
Reserve and surplus	125.05	776.24
Total shareholders’ funds (D)	737.07	5672.40
Long term debt / shareholders’ funds (B/D)	1.15	0.15
Total debt / shareholders’ funds (C/D)	1.15	0.15

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the "Financial Statements" beginning on page 98 of this Letter of Offer.

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read "Risk Factors" and "Forward Looking Statements" beginning on pages 20 and 15 respectively of this Letter of Offer, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

Our financial statements included in this Letter of Offer are prepared in accordance with Ind AS, which differs in certain material respects from other accounting standards such as IFRS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for six months ended 30th September, 2024, and Fiscal 2024 and 2023 included herein is based on the Financial Statements, included in this Letter of Offer. For further information, see "Financial Statements" beginning on page 98 of this Letter of Offer.

Neither we, any of their affiliates or advisors, nor any other person connected with the Issue has independently verified such information. For further information, see "Presentation of Financial and other Information" beginning on page 14 of this Letter of Offer.

OVERVIEW OF OUR BUSINESS

Our Company, Shangar Decor Limited, was incorporated on November 16, 1995, under the Companies Act, 1956. Company has obtained the Certificate of Commencement of Business on November 17, 1995 from the Registrar of Companies, Gujarat. The CIN of our company is L36998GJ1995PLC028139. Our company is engaged in the business of providing its clients decor related services that range from Pre-wedding events, Theme wedding, corporate events, religious events, Property decor, Lights decor, and exhibitions and Catering. We provide the best-in-class service to our clients along with the utmost quality and safety precautions.

Our company is a premier company specializing in a wide range of event decor and management services. Renowned for its creativity and attention to detail, the company has carved out a niche in the Indian event industry by offering comprehensive solutions that cater to weddings, corporate events, government functions, and more. With a deep understanding of cultural nuances and a commitment to excellence, Shangar Decor Limited transforms ordinary spaces into extraordinary experiences, leaving a lasting impression on clients and their guests.

Our founder Mr. Samir Shah has around 30 years of experience in Industry and with his innovative business ideas, in-depth knowledge and excellent management skills, we have served our clients proficiently.

Our total income for the six months ended on September 30, 2024 and for the financial year ended March 31, 2024 is ₹ 529.13 Lakhs and ₹ 1299.41 Lakhs respectively. Whereas our profit after tax for the six months ended on September 30, 2024 and the financial year ended on March 31, 2024 was ₹ 87.56 Lakhs and ₹ 75.26 lakhs respectively. EBITDA of the company for the six months ended on September 30, 2024 and the financial year ended on March 31, 2024 was ₹ 193.92 Lakhs and ₹ 244.24 Lakhs respectively.

SIGNIFICANT DEVELOPMENTS AFTER THE DATE OF LAST BALANCE SHEET THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

To the knowledge of our Company and except as disclosed herein, since the date of the last balance sheet contained in this Letter of Offer i.e. 31st March, 2024, no other circumstances have arisen which would materially and adversely affect or which would be likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 (twelve) months.

1. The Board of Directors has approved the Audited Financial Result for the quarter and year ended 31st March, 2024 in their meeting held on 30th May, 2024.

2. The Board of Directors has approved the Un-Audited Financial Result for the quarter ended 30th June, 2024 in their meeting held on 14th August, 2024.
3. The Board of Directors of our Company has, at its meeting held on Tuesday 3rd September, 2024, considered inter alia the following.
 - Increase the authorized share capital of the Company from Rs. 7 Crores to Rs. 50 Crores and subsequent change in the capital clause of the Memorandum of Association of the Company subject to the approval of the shareholders of the Company at the Annual General Meeting.
 - Fund raising by way of an issuance of equity shares of face value of Rs. 5/- (Rupees Five Only) each of the Company to its eligible equity shareholders on a rights basis (“Rights issue”) for a value not exceeding Rs. 49,50,00,000/- (Rupees Forty-Nine Crores Fifty Lakhs Only), subject to receipt of necessary approvals from regulatory authorities, as applicable and in accordance with applicable provisions of the Companies Act, 2013, as amended, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, and other applicable laws.
 - Further, the Board has constituted a Rights Issue Committee and authorized its members to decide on the terms and conditions of the Issue, including but not limited to, the final Issue size/amount, rights entitlement ratio, the issue price, record date, timing of the Rights Issue, approval of draft letter of offer; appointment of intermediaries, if required; allotment of shares and other related matters.
 - The Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has appointed Ms. Shubhangi Chourasia [ACS: 67818] as Company Secretary and Compliance Officer of the Company w.e.f. 3rd September, 2024.
 - The Company has accepted the resignation of Mr. Manish Shrichand Bachani [DIN: 08013906] from the post of Independent Director of the Company w.e.f. 3rd September, 2024.
 - The Company has accepted the resignation of Mr. Chinu Kalal [DIN: 09568622] from the post of Independent Director of the Company w.e.f. 3rd September, 2024.
 - Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has appointed Mr. Bhavinkumar Arvindkumar Patel [DIN: 06604431] as an Additional Director of the Company for the Category of Non-Executive Independent Director w.e.f. 3rd September, 2024 for a period of five consecutive years, subject to the approval of regulatory/statutory authorities and the shareholders of the Company at the Annual General Meeting.
 - Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has appointed Ms. Aanal Milankumar Satyawadi [DIN: 07381381] as an Additional Director of the Company for the Category of Non-Executive Independent Director w.e.f. 3rd September, 2024 for a period of five consecutive years, subject to the approval of regulatory/statutory authorities and the shareholders of the Company at the Annual General Meeting.
 - The Board of Directors has fixed the day, date, time and place for the Annual General Meeting (“AGM”) of the Company. The Board decided that the Annual General Meeting of the Company will be held on Monday, 30th September, 2024 at 02:00 PM at registered office of the Company situated at 4 Sharad Flats Opp-Dharmidhar Temple, Ahmedabad-380007, Gujarat, India
4. The Board of Directors has approved Un-Audited Financial Results along with Limited Review Report for the quarter ended on 30th September,2024 in their meeting held on 22nd October, 2024.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF THE OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section entitled ‘Risk Factors’ on page 20 of this Letter of Offer. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Any adverse changes in central or state government policies;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Our ability to successfully execute our expansion strategy in a timely manner.
- Any qualifications made by our statutory auditors which may affect our results of operations;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Our reliance on third party suppliers for our products;
- Our dependence on few clients for a significant portion of our revenues
- Loss of one or more of our key customers and/or suppliers;
- Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the regulatory proceedings in which we are involved;
- Our ability to retain and hire key employees or maintain good relations with our workforce
- Market fluctuations and industry dynamics beyond our control;
- An increase in the productivity and overall efficiency of our competitors;
- Occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.
- Our ability to compete effectively, particularly in new markets and businesses;
- Changes in foreign exchange rates or other rates or prices;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability.
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry and,
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Audited Financial Statements. For details of our significant accounting policies, please refer to the section titled '*Financial Information*' beginning on page 98 of this Letter of Offer.

CHANGE IN ACCOUNTING POLICIES

There has been no change in accounting policies for the period which has been included in this Draft Letter of Offer. For further details of our significant accounting policies, please refer to the section titled '*Financial Information*' beginning on page 98 of this Letter of Offer.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

The Auditors' Report and Secretarial Auditors' Report do not contain any qualifications, reservations or adverse remarks. For details, please refer section titled '*Financial Information*' beginning on page 98 of this Letter of Offer.

PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS

Income

Our total income comprises (i) revenue from operations, (ii) other income.

Revenue from operations

Revenue from operations comprises the sale of Event management and decoration services.

Other income

Other income includes interest income, including from banks and from other financial assets and dividend income from non-current investments.

Expenses

Our total expenses comprise (i) Purchase expense; (ii) employee benefit expense; (iii) changes in inventories of stock in trade; (iv) finance costs; (v) depreciation and amortisation expense; and (vi) other expenses.

Purchase Expense

Purchase expense comprises of decorative materials and other services purchased from the suppliers.

Changes in inventories of stock in trade

Changes in inventories of stock in trade comprises changes in the position of stock in trade;

Employee benefits expense

Employee benefits expense comprises salaries, wages, bonus and allowances, staff welfare expenses.

Finance costs

Finance costs comprise interest expense and bank charges;

Depreciation and amortisation expense

Depreciation and amortisation expense comprises of depreciation on fixed assets.

Other expenses

Other expenses include, among others Decoration expenses, Electric expenses, Rent expenses, License fees, Listing fees, Repair and maintenance expenses, Transportation expenses and Other Miscellaneous expenses.

Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or asset is recognized based on the difference between taxable profit and book profit due to the effect of timing differences. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

DISCUSSION ON RESULT OF OPERATION

The following discussion on results of operations should be read in conjunction with the unaudited financial results for the six months ended 30th September, 2024 and audited financial statements of our company for the financial years ended 31st March, 2024 and 31st March, 2023.

Particulars	For the period ended							
	30th September 2024	% of Total Revenue	30th September 2023	% of Total Revenue	31 st March 2024	% of Total Revenue	31 st March 2023	% of Total Revenue
(1) Revenue								
(a) Revenue from Operations	528.91	99.96%	221.87	99.92%	1298.91	99.96%	965.54	99.88%
(b) Other Income	0.22	0.04%	0.18	0.08%	0.50	0.04%	1.18	0.12%
Total Revenue (1)	529.13	100.00%	222.05	100.00%	1299.41	100.00%	966.72	100%
(2) Expenses								
Purchases	65.81	12.44%	87.34	39.33%	532.67	40.99%	315.68	32.65%
Change in Inventories	25.66	4.85%	-21.68	-9.76%	52.36	4.03%	55.74	5.77%
Employee Benefit Expenses	14.75	2.79%	4.42	1.99%	28.24	2.17%	27.61	2.86%
Finance Cost	1.78	0.34%	1.59	0.72%	4.67	0.36%	5.54	0.57%
Depreciation & Amortisation Expenses	73.77	13.94%	64.18	28.90%	133.12	10.24%	124.09	12.84%
Other Expenses	228.99	43.28%	73.55	33.12%	441.90	34.01%	410.30	42.44%
Total Expenses (2)	410.76	77.63%	209.40	94.30%	1192.96	91.81%	938.96	97.13%
Profit/(Loss) before extraordinary items and tax	118.37	22.37%	12.65	5.70%	106.45	8.19%	27.76	2.87%
Extraordinary items	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Tax Expenses								
(a) Current Tax	30.81	5.82%	3.31	1.49%	31.19	2.40%	7.15	0.74%
(b) Deferred Tax	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
(c) Income tax for earlier years	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.42	0.04%
Total Tax Expenses	30.81	5.82%	3.31	1.49%	31.19	2.40%	7.57	0.78%
Profit/(Loss) for the period/ year	87.56	16.55%	9.34	4.21%	75.26	5.79%	20.19	2.09%

COMPARISON OF SIX MONTHS ENDED SEPTEMBER 30, 2024 WITH SIX MONTHS ENDED SEPTEMBER 30, 2023

For the six months ended September 30, 2024, the company achieved a total income of Rs. 529.13 lakhs, marking an increase from Rs. 222.05 lakhs in the corresponding period of 2023. This represents a notable growth of 138.29%, mainly due to increase in revenue from operations as detailed below.

Revenue from Operations

Revenue from operations surged from Rs. 221.87 lakhs for the six months ended September 30, 2023, to Rs. 528.91 lakhs for the same period in 2024, reflecting a robust increase of 138.39%. This growth is attributed to an expansion in the event décor and management business.

Other income

Other income has increased from Rs. 0.18 Lakhs for the six months ended September 30, 2023 to Rs. 0.22 lakhs for six months ended September 30, 2024, an increase of 22.22%. This increase was mainly due to increase in interest income for the period.

Purchases

Purchases declined significantly from Rs. 87.34 lakhs for the six months ended September 30, 2023, to Rs. 65.81 lakhs for the six months ended September 30, 2024. This 24.65% decrease in material costs is due to the decreased purchase of decorative materials during the period.

Employee Benefit Expenses

Employee benefit expenses grew from Rs. 4.42 lakhs for the six months ended September 30, 2023, to Rs. 14.75 lakhs for the six months ended September 30, 2024. An increase of 233.71%, mainly due to an increase in salary expenses during the period.

Financial Charges

Finance Cost grew from Rs. 1.59 lakhs for the six months ended September 30, 2023 to Rs. 1.78 lakhs for the six months ended September 30, 2024. An increase of 11.95%, mainly due to increase in interest expenses during the period.

Other Expenses

Other expenses for the six months ended September 30, 2023, were Rs. 73.55 lakhs, compared to six months ended September 30, 2024 is Rs. 228.99 lakhs. A increase of 211.34%, this was mainly due to increase in the Rent Expenses during the period.

Profit Before Tax

Profit before tax increased from Rs. 12.65 lakhs for the six months ended September 30, 2023, to Rs. 118.37 lakhs for the same period in 2024, an increase of 835.73%. This rise is attributed to the higher volume of operations during the period.

Tax Expense

Tax expenses rose from Rs. 3.31 lakhs for the six months ended September 30, 2023, to Rs. 30.81 lakhs for the six months ended September 30, 2024, representing a 830.82% increase. This growth is primarily due to the higher taxable profit for the current period.

Profit After Tax

As a result of the factors mentioned above, profit after tax increased from Rs. 9.34 lakhs for the six months ended September 30, 2023, to Rs. 87.56 lakhs for the six months ended September 30, 2024, reflecting a 837.47% growth.

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2024 WITH FINANCIAL YEAR ENDED MARCH 31, 2023

The total income has increased from Rs. 966.72 lakhs for FY 2022-23 to Rs. 1299.41 lakhs for F.Y.2023-24. An increase of 34.41%, mainly due to increase in revenue from operations as detailed below.

Revenue from Operations

Revenue from operations in the FY 2022-23 was Rs. 965.54 and in the F.Y. 2023-24 revenue from operations was Rs. 1298.91 lakhs, an increase of 34.53%. This increase is due to the increase in customer base for event décor and management services provided by the company.

Other income

Other income in the FY 2022-23 was Rs. 1.18 Lakhs as compared to Rs. 0.50 Lakhs in F.Y. 2023-24, A decrease of 57.63%. This decrease was mainly due to decrease in interest income for the year.

Purchases

Purchases increased to Rs. 532.67 lakhs in the FY 2023-24 as compared to Rs. 315.68 in the F.Y. 2022-23. A increase of 68.74%, as there is increase in purchase of decorative materials by the company.

Employee Benefit Expenses

Employee Benefit Expense has been increased from Rs.27.61 lakhs for FY 2022-23 to Rs. 28.24 lakhs for FY 2023-24. An increase of 2.28% mainly due to increase in Salary & Bonus expenses.

Depreciation & Amortisation

Depreciation & Amortisation expense for the F.Y. 2023-24 has been increased to Rs. 133.12 lakhs as compared to Rs. 124.09 in the F.Y. 2022-23. An increase of 7.28% as there was increase in Fixed Assets in F.Y. 2023-24.

Financial Charges

Finance Cost for the F.Y. 2023-24 has been decreased to Rs. 4.67 lakhs as compared to Rs. 5.54 lakhs in the F.Y. 2022-23, a decrease of 15.70%. This was mainly due to decrease in interest expenses and bank charges.

Other Expenses

Other Expenses has been increased from Rs.410.30 lakhs in F.Y. 2022-23 to Rs. 441.90 lakhs in F.Y. 2023-24, an increase of 7.70%. This was mainly due to increase in rent expenses, transportation expenses and repair and maintenance expenses.

Profit before tax

Profit before tax has increased from Rs. 27.76 lakhs in F.Y. 2022-23 to Rs. 106.45 lakhs in FY 2023-24, an increase of 283.47%. This was mainly on account of increase in volume of operation during the FY 2023-24.

Tax Expense

Tax Expense increased from Rs. 7.57 lakhs in F.Y.2022-23 to Rs. 31.19 lakhs in FY 2023-24. An increase of 312.02% primarily due to increase in taxable profit during the FY 2023-24.

Profit after tax

Due to all the combined reasons stated above the Profit after tax has increased from Rs.20.19 lakhs in the F.Y. 2022-23 to Rs. 75.26 lakhs in the F.Y. 2023-24. An increase of 272.76%.

Summary of cash Flows

(Rs In Lakhs)

Particulars	For 6 months ended September 30,	For the Financial Year ended March 31	
	2024	2024	2023
Net Cash flow (used in)/ from Operating Activities	(121.25)	505.64	43.70
Net Cash flow (used in)/ from Investing Activities	(109.99)	(205.15)	(378.18)
Net Cash flow (used in)/ from Financing Activities	74.13	(138.26)	332.74
Net Increase/ (decrease) in cash/ cash equivalents	(157.11)	162.23	(1.74)
Cash and Cash equivalents at the beginning	186.32	24.08	25.82
Cash and Cash equivalents at the end	29.21	186.32	24.08

Cash Flows from Operating Activities

Six months ended September 30, 2024

In the six months ended September 30, 2024, net cash used in operating activities was (Rs. 121.25) Lakhs and the net profit before tax was Rs. 118.37 Lakhs.

Financial Year 2023-2024

Our net cashflow from operating activities for the financial year ended March 31, 2024 was Rs. 505.64 lakhs as compared to the net profit before tax of Rs. 106.45 lakhs for the same period. This was mainly on account of Depreciation, Provision for Income tax, Finance cost, Decrease in Trade receivables, Increase in Inventories, Increase in Trade payables and Increase in Other liabilities.

Financial Year 2022-2023

Our net cashflow from operating activities for the financial year ended March 31, 2023 was Rs. 43.70 lakhs as compared to net profit before tax of Rs. 27.76 lakhs for the same period. This was mainly on account of Depreciation, Decrease in Trade receivables, Increase in Inventories, Decrease in Trade payables and Decrease in Other liabilities.

Cash Flows from Investing Activities

Six months ended September 30, 2024

In six months ended September 30, 2024, net cash used in investing activities was (Rs. 109.99) Lakhs. This was mainly due to purchase of Property, Plant and Equipments.

Financial Year 2023-2024

Our net cash used in investing activities for the financial year ended March 31, 2024 was (Rs. 205.15) lakhs. This was mainly on account of Purchase of Property, Plant and Equipment and Increase in Non- current Investments.

Financial Year 2022-2023

Our net cash used in investing activities for the financial year ended March 31, 2023 was (Rs. 378.18) lakhs. This was mainly on account of Purchase of Property, Plant and Equipment.

Cash Flows from Financing Activities

Six months ended September 30, 2024

In six months period ended September 30, 2024, net cashflow from financing activities was Rs. 74.13 Lakhs. This was primarily due to Proceeds from borrowings.

Financial Year 2023-2024

For the F.Y. 2023-24, net cash used in financing activities was (Rs. 138.26) Lakhs. This was on account of Repayment of borrowings and Interest expenses paid.

Financial Year 2022-2023

For the F.Y. 2022-23, net cashflow from financing activities was Rs. 332.74 Lakhs. This was on account of Proceeds from borrowings.

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Unaudited Financial Information for the six months ended September 30, 2024 and Audited Financial Information for the Financial Years ended on March 31, 2024 and March 31, 2023. For further details please refer to the section titled '*Financial Information*' beginning on page 98 of this Letter of Offer.

ACCOUNTING RATIOS

Particulars	Based on Financial Statements for the		
	Unaudited Six Months ended September 30, 2024	Audited F.Y.2023-24	Audited F.Y.2022-23
Basic earnings per Equity Share (₹)	0.72	0.61	0.16
Diluted earnings per Equity Share (₹)	0.72	0.61	0.16
Return on Net Worth (%)	10.62%	10.21%	3.05%
Net Asset Value per Equity Share (₹)	6.74	6.02	5.41
EBITDA (₹)	193.92	244.24	157.39

The formula used in the computation of the above ratios are as follows:

Particular	Computation of Formulas
Basic earnings per Equity Share (₹)	(Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable) / (Weighted Average number of Equity Shares);
Diluted earnings per Equity Share (₹)	(Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable) / (Weighted Average number of Equity Shares (including convertible securities));
Return on Net Worth (%)	(Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (prior to other comprehensive income))/ (Net worth at the end of the year);
Net Asset Value per Equity Share (₹)	(Net Worth)/ (Number of Equity Shares outstanding for the year);
6 (₹)	Profit for the year before finance costs, tax, depreciation and amortization as presented in the statement of profit and loss

Calculation of Return on Net Worth (%)

Particulars	Based on Financial Statements for the		
	Unaudited Six Months ended September 30, 2024	Audited F.Y.2023-24	Audited F.Y.2022-23
Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (₹) (A)	87.56	75.26	20.19
Net worth at the end of the year (₹) (B)	824.64	737.07	661.82
Return on Net Worth (%) [(A)/(B)]	10.62%	10.21%	3.05%

Calculation of Net asset value per Equity Share

Particulars	Based on Financial Statements for the		
	Unaudited Six Months ended September 30, 2024	Audited F.Y.2023-24	Audited F.Y.2022-23
Net Worth (₹) (A)	824.64	737.07	661.82
Number of issued, subscribed and fully paid-up Equity Shares outstanding as at the year ended (Numbers) (B)	122.404	122.404	122.404
Net Asset Value per Equity Share (₹) [(A)/(B)]	6.74	6.02	5.41

Calculation of Net Worth

Particulars	Based on Financial Statements for the		
	Unaudited Six Months ended September 30, 2024	Audited F.Y.2023-24	Audited F.Y.2022-23
Equity Share capital (₹) (A)	612.02	612.02	612.02
Reserves and Surplus (₹) (B)	212.62	125.05	49.80
Net Worth (₹) [(A)+(B)]	824.64	737.07	661.82

Calculation of EBITDA

Particulars	Based on Financial Statements for the		
	Unaudited Six Months ended September 30, 2024	Audited F.Y.2023-24	Audited F.Y.2022-23
Net Profit/ (loss) after tax (₹) (A)	87.56	75.26	20.19
Income tax expenses (₹) (B)	30.81	31.19	7.57
Finance Cost (₹) (C)	1.78	4.67	5.54
Depreciation and amortization expense (₹) (D)	73.77	133.12	124.09
EBITDA (₹) (A+B+C+D)	193.92	244.24	157.39

STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY

Our Company's Equity Shares are listed on BSE Limited, and the Rights Shares issued pursuant to this Issue will be listed on the said Stock Exchange. For further details, please refer to the section titled '*Terms of the Issue*' on page 173 of this Draft Letter of Offer.

Our Company shall make an application for being in receipt of the in-principle approval for listing of the Rights Shares on BSE Limited to be issued pursuant to this Issue. In pursuance of which, our Company is in receipt of in-principle approval from the Stock Exchange vide its letter bearing reference number LOD/RIGHT/VK/FIP/1040/2024-25 dated 3rd October, 2024. Our Company shall also make applications to the Stock Exchange to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

For the purpose of this section, unless otherwise specified:

- i. Year is a Financial Year;
- ii. Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
- iii. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
- iv. In case of two days with the same high / low / closing price, the date with higher volume has been considered.

STOCK MARKET DATA OF THE EQUITY SHARES

1. The following tables set out the reported high, low, and average of the closing prices of our Equity Shares on the BSE Limited and number of Equity Shares traded on the days on which such high and low prices were recorded for, and the volume of Equity Shares traded in the preceding 3 (Three) Financial Years:

Financial Year ending on March 31	High (₹)	Date of High	Number of Equity Shares traded on date of High	Total turnover of Equity Shares traded on date of High (₹)	Low (₹)	Date of Low	Number of Equity Shares traded on date of Low	Total turnover of Equity Shares traded on date of Low (₹)	Average Market Price for the Year (₹)	Total volume of Equity Shares traded in the Financial Year (in number)	
										(in number)	(₹ in Lakhs)
2024	₹7.42	18/10/2023	1,04,156	₹7,68,642	₹2.58	03/04/2023	8,537	₹2,1396	₹4.50	57,13,914	₹291.19
2023	₹6.20	08/04/2022	18,524	₹1,10,498	₹2.49	20/02/2023	29,984	₹70,604	₹4.06	24,31,969	₹92.54
2022	₹15.94	28/04/2021	11,35,216	₹1,69,89,546	₹5.96	29/03/2022	78,276	₹4,42,463	₹8.34	2,78,10,916	₹2945.82

Source: www.bseindia.com

2. The following tables set out the reported high, low, and average of the closing prices of our Equity Shares on BSE number of Equity Shares traded on the days on which such high and low prices were recorded for, and the volume of Equity Shares traded in each of the last 6 (Six) Months:

Month	High (₹)	Date of High	Number of Equity Shares traded on date of High	Total turnover of Equity Shares traded on date of High (₹ in Lakhs)	Low (₹)	Date of Low	Number of Equity Shares traded on date of Low	Total turnover of Equity Shares traded on date of Low (₹ in Lakhs)	Average Market Price in the Month (₹)	No. of trading days in the period	Total volume of Equity Shares traded in the Month (in number)	
											(in number)	(₹ in Lakhs)
September, 2024	₹8.95	03/09/2024	53,419	₹4.76	₹ 7.25	27/09/2024	4,546	₹ 0.33	₹ 8.04	21	5,24,276	₹43.55
August-2024	₹10.09	19/08/2024	3,79,538	₹38.22	₹8.04	01/08/2024	77,500	₹6.23	₹8.94	21	25,41,162	₹231.93
July-2024	₹8.17	01/07/2024	5,466	₹0.45	₹6.79	19/07/2024	11,572	₹0.78	₹7.35	22	5,54,882	₹41.01
June-2024	₹8.62	27/06/2024	96,718	₹8.30	₹5.42	03/06/2024	13,186	₹0.66	₹6.93	19	12,08,474	₹88.88
May-2024	₹6.66	27/05/2024	34,289	₹2.19	₹4.60	13/05/2024	1,497	₹0.07	₹5.48	22	3,07,139	₹18.36
April-2024	₹6.39	30/04/2024	29,811	₹1.86	₹4.01	10/04/2024	4,500	₹0.18	₹4.72	20	9,19,099	₹50.53

3. The Board has approved the Issue at their meeting held on 3rd September, 2024. The following table sets forth the market prices of our Equity Shares on the BSE on 2nd September, 2024 the first working day immediately preceding the date of the Board meeting

Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in Lakhs)
₹8.61	₹8.95	₹8.61	₹8.95	2,01,391	₹18.00

4. The high, low and average prices recorded on BSE, during the last 4 (Four) weeks and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Week ended on	Closing Price (₹)	High Price (₹)	Date of High	Low Price (₹)	Date of Low
Friday, 18 th October, 2024	₹7.80	₹8.29	17/10/2024	₹7.55	14/10/2024
Friday, 11 th October, 2024	₹7.37	₹7.75	07/10/2024	₹7.30	10/10/2024
Friday, 4 th October, 2024	₹7.75	₹8.44	04/10/2024	₹7.60	30/09/2024
Friday, 27 th September, 2024	₹7.84	₹7.84	23/09/2024	₹7.25	27/09/2024

The Issue Price of ₹5.76/- per Equity Share has been determined by the Board of Directors of our Company.

SECTION VIII- OTHER INFORMATION

OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS

Except as disclosed below, there are no outstanding litigations involving our Company whose financial statements are included in the Letter of Offer, in a Standalone form including, suits, criminal or civil proceedings and taxation related proceedings that would have a material adverse effect on our operations, financial position or future revenues. In this regard, please note the following:

In determining whether any outstanding litigation against our Company, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences against our Company, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company, including criminal proceedings, statutory or regulatory actions as 'Material' in the opinion of the Board of directors under Regulation 30 of the SEBI Listing Regulations for the purpose of litigation disclosure in this Letter of Offer:

Unless stated to the contrary, the information provided below is as of the date of this Letter of Offer.

I. CONTINGENT LIABILITIES OF OUR COMPANY:

a) Classification of Contingent liabilities: (₹ in Lakhs)

- Claims against the company not acknowledged as debts	Nil
- Disputed liabilities in respect of Income Tax	Nil
- Guarantees given in favour of company	Nil
- Other money for which the company is contingently liable.	Nil

b) Classification of Commitments into:

- Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil
- Uncalled liability on shares and other investments partly paid	Nil
- Other commitments (specifying nature)	Nil

* Excluding interest on disputed demand and amount involved in litigations for which the tax amount is not ascertainable.

II. LITIGATION INVOLVING OUR COMPANY

A. LITIGATION AGAINST OUR COMPANY

1. Litigation Involving Criminal matters:
As on the date of this Letter of Offer, there are no outstanding criminal proceedings initiated against the Company.
2. Litigation Involving Civil matters:
As on the date of this Letter of Offer, there are no outstanding civil proceedings initiated against the Company.
3. Litigation Involving Actions by Statutory/Regulatory Authorities:
As on the date of this Letter of Offer, there are no outstanding actions by statutory or regulatory authorities initiated against the Company.
4. Litigation involving Tax Liabilities

(₹ in Lakhs)

Nature of Proceedings	Number of cases	Amount involved
Direct Tax	4	104.70*
Indirect Tax	0	0

* Excluding amount of interest . Out of 4 litigation 1 litigation is related to TDS for which appeal is already filed and remaining 3 are relating to Income Tax for which company is in process to file rectification application.

5. Other Pending Litigations:
As on the date of this Letter of Offer, there are no other pending material litigations against the Company.

B. CASES FILED BY OUR COMPANY

1. Litigation Involving Criminal matters:
As on the date of this Letter of Offer, there are no outstanding criminal proceedings filed by the Company.
2. Litigation Involving Civil matters:
As on the date of this Letter of Offer, there are no outstanding civil proceedings filed by the Company.
3. Litigation Involving Actions by Statutory/Regulatory Authorities:
As on the date of this Letter of Offer, there are no outstanding actions initiated by our company against any statutory or regulatory authorities.
4. Other Pending Litigations:
As on the date of this Letter of Offer, there are no other pending material litigations filed by the Company.

III. LITIGATION INVOLVING OUR DIRECTORS, PROMOTER AND PROMOTER GROUP

A. LITIGATION AGAINST OUR DIRECTORS, PROMOTER AND PROMOTER GROUP

1. Litigation Involving Criminal matters:
As on the date of this Letter of Offer, there are no outstanding criminal proceedings initiated against the Promoter & Directors of the company.
2. Litigation Involving Civil matters:
As on the date of this Letter of Offer, there are no outstanding civil proceedings initiated against the Promoter & Directors of the company.
3. Litigation Involving Actions by Statutory/Regulatory Authorities:
As on the date of this Letter of Offer, there are no outstanding actions by statutory or regulatory authorities initiated against the Promoter & Directors of the company.
4. Litigation involving Tax Liabilities

(₹ in Lakhs)

Nature of Proceedings	Number of cases	Amount involved
Direct Tax	0	0*
Indirect Tax	0	0

* Amount is unascertainable.

5. Other Pending Litigations:
As on the date of this Letter of Offer, there are no other pending material litigations against the Promoter & Directors of the company.

B. LITIGATION FILED BY OUR DIRECTORS, PROMOTER AND PROMOTER GROUP

1. Litigation Involving Criminal matters:
As on the date of this Letter of Offer, there are no outstanding criminal proceedings filed by the Promoter & Directors of the Company.
2. Litigation Involving Civil matters:
As on the date of this Letter of Offer, there are no outstanding civil proceedings filed by the Promoter & Directors of the company.
3. Litigation Involving Actions by Statutory/Regulatory Authorities:
As on the date of this Letter of Offer, there are no outstanding actions filed by Promoter & Directors of the company against the statutory or regulatory authorities.

4. Other Pending Litigations:

As on the date of this Red Herring Letter of Offer, there are no other pending material litigations filed by the Promoter & Directors of the company.

IV. LITIGATION INVOLVING OUR GROUP ENTITIES

1. Litigation Involving Criminal matters: **Not Applicable**
2. Litigation Involving Civil matters: **Not Applicable**
3. Litigation Involving Actions by Statutory/Regulatory Authorities: **Not Applicable**
4. Litigation involving Tax Liabilities
 - a. Direct Tax Liabilities: **Not Applicable**
 - b. Indirect Taxes Liabilities: **Not Applicable**
5. Other Pending Litigations: **Not Applicable**

V. OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors where outstanding amount as on September 30, 2024:

(₹ in Lakhs)

Name	Balance as on September 30, 2024
Total Outstanding dues to Micro and Small & Medium Enterprises (MSME)	-
Total Outstanding dues to Creditors other than MSME#	773.13

As per unaudited 6 months ended financial results.

Material Developments occurring after last balance sheet date

Except as disclosed in Chapter titled “*Management’s Discussion & Analysis of Financial Conditions & Results of Operations*” beginning on page 143 of this Letter of Offer, there have been no material developments that have occurred after the Last Balance Sheet Date.

GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government of India and various governmental agencies required by us to undertake this Issue and for our present business and except as mentioned below, no further material approvals are required for carrying on our present business operations. Unless otherwise stated, these approvals are valid as on the date of this Draft Letter of Offer.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities.

I. Approvals for the Issue

The following approvals have been obtained or will be obtained in connection with the Issue:

- a. The Board of Directors in its meeting held on 3rd September, 2024 has approved / authorized the issue.;
- b. In-principle approval from LOD/RIGHT/VK/FIP/1040/2024-25 dated 3rd October, 2024, to use their name for listing of Equity Shares issued by our Company.
- c. The ISIN of the Company is INE118R01024;

II. Approvals Related to Incorporation of Company

Sr. No.	Description	CIN/Registration No.	Registrar	Date of Certificate	Date of Expiry
1.	Certificate of Incorporation in the name of Shangar Decor Limited	L36998GJ1995PLC028139 /28139 1995-96	Registrar of Companies, Gujarat, Dadra & Nagar Haveli	November 16, 1995	Valid until Cancelled
2.	Certificate of commencement of Business in the Shangar Decor Limited	L36998GJ1995PLC028139/ 28139	Registrar of Companies, Gujarat, Dadra & Nagar Haveli	November 17, 1995	Valid until Cancelled

III. Tax Approvals in relation to our Company

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
a)	Permanent Account Number	Income Tax Department	AADCS1034Q	NA	Valid until cancelled
b)	Tax Deduction Account Number	Income Tax Department	AHMS00949E	NA	Valid until cancelled
c)	Goods and Services Tax Registration Number	Government of India	24AADCS1034Q1 ZA	24/09/2017	Valid until cancelled
d)	Professional tax Registration	Ahmedabad Municipal Corporation	PEC01-5080999	24/03/2008	Valid until cancelled

IV. Approvals Obtained in relation to business operations


Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
a.	Shops and Establishment	Amdavad Shops and Establishments (Regulation of	PII/AMB/29000 13/0001726	24/03/2008	Valid until cancelled

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
	Registration Certificate	Employment and Condition of Service) Act 2017			
b.	Udyam Registration Certificate	Ministry of Micro, small and medium enterprises	UDYAM-GJ-01-0191812	24/08/2022	NA

V. Labour Related Approvals

Sr. No.	Description	Authority	Registration Number	Date of Issue
a)	Employees Provident Fund Registration (under Employees' Provident Funds and Miscellaneous Provisions Act, 1952)	Employees Provident Fund Organisation, Ministry of Labour, Government of India	2010731997AH D	14/05/2015
b)	Registration for Employees State Insurance (under Employees State Insurance Act, 1948)	Employees State Insurance Corporation	3700106141000 1099	15/05/2015

VI. Intellectual property related approvals

Sr. No.	Logo	Class	Trademark Type	Owner of Trademark	Application No.	Date of Application	Status
1		41	Device	Shangar Decor Limited	6606732	03/09/2024	Formalities Chk Pass

VII. Details of the domain name in the name of our Company

Domain Name
www.shangardecor.com

VIII. Registration Certificate Yet to Receive

Nil

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution of the Board passed at its meeting held on 3rd September, 2024, pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions.

Our Board in its meeting held on 22nd October, 2024, has approved to issue Rights Equity Shares to the Eligible Equity Shareholders, at an issue price of ₹ 5.76/- per Rights Equity Shares. The Issue Price of ₹5.76.00/- per Rights Share has been arrived at, prior to determination of the Record Date.

This Letter of Offer has been approved by our Board of Director, at its meeting held on 24th October, 2024.

Investor has to pay full amount payable on Application i.e 5.76/-

Our Company has received 'in-principle' approvals from the BSE Limited vide its letter bearing reference number LOD/RIGHT/VK/FIP/1040/2024-25 dated 3rd October, 2024', pursuant to Regulation 28 (1) of the SEBI (LODR) Regulations, for listing of the Rights Equity Shares to be Allotted pursuant to the Issue.

Our Company will also make applications to Stock Exchange to obtain their trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circular.

Our Company has been allotted the ISIN INE118R20016 for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Equity Shareholders of our Company. Our Company has been allotted the ISIN INE118R20016 by the Depositories for the Rights Equity Shares to be issued pursuant to this Issue. For further details, kindly refer to the section titled '*Terms Of The Issue*' beginning on page 173 of this Letter of Offer.

PROHIBITION BY SEBI OR RBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoter, our Directors, and persons in control of our Company have not been and are not debarred and are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/ court as on the date of this Letter of Offer.

None of the companies with which our Promoter or our Directors are associated with as promoter or directors have been debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Neither our Promoter nor any of our Directors, have been declared a Wilful Defaulter or Fraudulent Borrower or Fugitive Economic Offender as defined under SEBI (ICDR) Regulations.

DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

None of our Directors are, in any manner, associated with the securities market.

There are no outstanding action(s) initiated by SEBI against our Directors in the 5 (Five) years preceding the date of this Letter of Offer.

PROHIBITION BY RBI

Neither our Company, nor our Promoter or any of our Directors, have been categorized or identified or declared as a Wilful Defaulter or Fraudulent Borrower.

CONFIRMATION UNDER COMPANIES (SIGNIFICANT BENEFICIAL OWNERS) RULES, 2018

Our Company and our Promoters are in compliance with the requirements of the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable, as on the date of this Letter of Offer.

ELIGIBILITY FOR THE ISSUE

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the Stock Exchange. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI ICDR Regulations and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the the SEBI ICDR Regulations.

COMPLIANCE WITH REGULATION 61 AND 62 OF THE SEBI (ICDR) REGULATIONS

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Our Company undertakes to make an application for listing of the Rights Equity Shares to be Allotted pursuant to the Issue. BSE Limited is the Designated Stock Exchange for the purpose of the Issue.

COMPLIANCE WITH CLAUSE (1) OF PART B OF SCHEDULE VI OF SEBI (ICDR) REGULATIONS

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR

Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Letter of Offer with SEBI;
2. The reports, statements and information referred to above are available on the website of BSE; and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Draft Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

The Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is up to Rs. 4935.33 Lakhs. The present Issue being of less than Rs. 5,000 lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI ICDR Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI ICDR Regulations with SEBI for information and dissemination on the website of SEBI i.e. www.sebi.gov.in.

DISCLAIMER CLAUSES FROM OUR COMPANY

Our Company accepts no responsibility for statements made other than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in this Issue will be deemed to have represented to our Company that they are eligible under all applicable law, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares, and are relying on independent advice/ evaluation as to their ability and quantum of investment in the Issue. Our Company accepts no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

CAUTION

Our Company shall make all relevant information available to the Eligible Equity Shareholders in accordance with the SEBI (ICDR) Regulations and no selective or additional information would be

available for a section of the Eligible Equity Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlements, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Letter of Offer is current only as at its date.

DISCLAIMER WITH RESPECT TO JURISDICTION

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Ahmedabad, India only.

DESIGNATED STOCK EXCHANGE

The Designated Stock Exchange for the purpose of this Issue will be BSE Limited.

DISCLAIMER CLAUSE OF BSE LIMITED

As required, a copy of this Letter of Offer has been submitted to the BSE Limited. BSE Limited has given vide its letter dated 3rd October, 2024 to use its name in this Letter of Offer. The Disclaimer Clause as shall be intimated by the BSE Limited to us, post-scrutiny of this Letter of Offer, shall be included in the Letter of Offer prior to filing with BSE Limited.

Further, BSE Limited does not in any manner:

1. Warrant, certify or endorse the correctness or completeness of any of the contents of this Letter of Offer; or
2. Warrant that our Company's Equity Shares will be listed or will continue to be listed on BSE Limited; or
3. Take any responsibility for the financial or other soundness of our Company, its management or any scheme or project of our Company;

And it should not for any reason be deemed or construed that this Letter of Offer has been cleared or approved by the BSE Limited.

Every Investor who desires to apply for or otherwise acquires any Equity Shares of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE Limited whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

SELLING RESTRICTIONS

The distribution of this Issue Documents and the issue of Rights Entitlements and the Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Materials may come, are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and in accordance with the SEBI (ICDR) Regulations, our Company will send / dispatch the Issue Materials only to the Eligible Equity Shareholders who have provided Indian address and who are located in jurisdictions where the offer and sale of the Rights Entitlements and the Rights Equity Shares are permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders` have not provided their e-mail address, then the Issue Materials will be dispatched, on a

reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials.

LISTING

Our Company will apply to BSE Limited for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

CONSENTS

Consents in writing of our Managing Directors, Non- Executive Director, Independent Director, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditors, Legal Counsels, the Registrar to the Issue, the Bankers to the Issue, and Experts to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Letter of Offer.

EXPERT OPINION

Our Company has received written consent dated 3rd September, 2024, from M/s. S.D. Mehta & Co., the Statutory Auditors of our Company, to include its name as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in this Letter of Offer to the extent and in their capacity as our Statutory Auditor in respect of their Statement of Special Tax Benefits available to our Company and its shareholders dated 3rd September, 2024 included in this Letter of Offer and such consent has not been withdrawn as of the date of this Letter of Offer.

The term 'expert' and 'consent' thereof shall not be construed to mean an 'expert' or 'consent' as defined under the U.S. Securities Act.

Except for the abovementioned documents, provided by our Statutory Auditors, our Company has not obtained any expert opinions.

PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC / RIGHTS ISSUE OF OUR COMPANY⁰

Our Company has not undertaken any rights issues or public issues during the 5 years immediately preceding the date of this Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

STOCK MARKET DATA OF THE EQUITY SHARES

Our Equity Shares are listed and traded on BSE. For details in connection with the stock market data of the Stock Exchanges, see '*Stock Market Data for equity shares of our Company*' on page 154 of this Letter of Offer.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

Our Company has made adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the SEBI (LODR) Regulations as well as a well-arranged correspondence system developed for letters of routine nature. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular bearing reference number 'CIR/OIAE/2/2011 dated June 3, 2011'. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. Purva Sharegistry (India) Private Limited is our Registrar to the Issue. All investor grievances received by us have been handled by the Registrar in consultation with the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 7 (Seven) days from the date of receipt of the complaint.

The average time taken by the Registrar to the Issue, Purva Sharegistry (India) Private Limited for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

Investors may contact the Registrar to the Issue, or our Company Secretary, or our Compliance Officer for any Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole / first holder, folio number or demat account number, serial number of the Application Form, number of the Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please refer to the section titled '*Terms of the Issue*' on page 173 of this Letter of Offer.

The contact details of the Registrar and the Company Secretary and Compliance Officer of our Company are as follows:

Company Secretary and Compliance Officer	Registrar to the Issue
<p>Ms. Shubhangi Chourasia Address: 4 Sharad Flats Opp-Dharnidhar Temple, Ahmedabad-380007, Gujarat, India. Contact Number: :- +91 9825023622 Email: shangardecorltd@hotmail.com</p>	<p>Purva Sharegistry (India) Private Limited Address : Unit no. 9, Shiv Shakti Ind. Estt. J. R. Boricha Marg, Lower Parel (E), Mumbai-400 011, Maharashtra. Email: support@purvashare.com Contact Number: +91 22 4961 4132 Contact Person : Deepali Dhuri, Compliance Officer</p>

KEY INDUSTRY REGULATIONS AND POLICIES

The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local laws. The following description is an indicative summary of certain key industry laws, regulations and policies as notified by the Government of India or State Governments and other regulatory bodies, which are applicable to our Company. The information set below has been obtained from various legislations including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations set below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice.

Further, the statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Our Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the section titled '*Government and Other Approvals*' beginning on page 157 of this letter of offer.

BUSINESS AND/ OR KEY INDUSTRY AND/ OR TRADE RELATED LAWS AND REGULATIONS

The Micro, Small and Medium Enterprises Development Act, 2006 (the 'MSME Act')

The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951 The Micro, Small and Medium Enterprises Development Act, 2006 ('MSME Act'). In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the Micro, Small and Medium Enterprises Development Act, 2006 is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951.

The Consumer protection Act, 2019

The Consumer Protection Act, 2019 came into effect from 20th July, 2020 will empower consumers and help them in protecting their rights through its various notified rules and provisions like Consumer Protection Councils, Consumer Disputes Redressal Commissions, Mediation, Product Liability and punishment for manufacture or sale of products containing adulterant / spurious goods. It will be empowered to conduct investigations into violations of consumer rights and institute complaints / prosecution, order recall of unsafe goods and services, order discontinuance of unfair trade practices and misleading advertisements, impose penalties on manufacturers/endorsers/publishers of misleading advertisements. It introduces the concept of product liability and brings within its scope, the product manufacturer, product service provider and product seller, for any claim for compensation. The new Act provides for simplifying the consumer dispute adjudication process in the consumer commissions, which include, among others, empowerment of the State and District Commissions to review their own orders, enabling a consumer to file complaints electronically and file complaints in consumer Commissions that have jurisdiction over the place of his residence, videoconferencing for hearing and deemed admissibility of complaints if the question of admissibility is not decided within the specified period of 21 days.

Bureau of Indian Standards Act, 2016 (the "BIS Act"):

BIS Act was notified on March 22, 2016 and came into effect from October 12, 2017. The BIS Act establishes the Bureau of Indian Standards (BIS) as the National Standards Body of India. It has broadened BIS's ambit and allows Central Government to make it mandatory for certain notified goods, articles, processes etc. to carry standard mark.

Prevention of Black Marketing and Maintenance of Supplies Act, 1980:

Prevention of Black Marketing and Maintenance of Supplies Act, 1980. It is an Act for detention in certain cases or the purpose of prevention of black marketing and maintenance of supplies of commodities essential to the community and for matters concerned therewith.

The Competition Act 2002 (the “Competition Act”)

The Competition Act is an act to prevent practices having an adverse effect on competition, to promote and sustain competition in markets, to protect the interests of consumers and to ensure freedom of trade in India. The act deals with the prohibition of (i) certain agreements such as anti-competitive agreements and (ii) abuse of dominant position and regulation of combinations. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Competition Act. The prima facie duty of the Competition Commission of India (“Commission”) is to eliminate practices having an adverse effect on competition, promote and sustain competition, protect the interests of consumers and ensure freedom of trade. The Commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General (as appointed under Section 16(1) of the Competition Act), he shall be punishable with a fine which may extend to ₹100,000 for each day during such failure subject to a maximum of ₹10,000,000, as the Commission may determine.

LAWS RELATING TO SPECIFIC STATE WHERE ESTABLISHMENT IS SITUATED

Shops and Establishments Legislations

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. All industries have to be registered under the shops and establishments legislations of the state where they are located. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

CORPORATE LAWS

The Companies Act, 2013

The Companies Act, 2013 came into existence by repealing the Companies Act, 1956 in a phased manner. It received the assent of the President on August 29, 2013. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013. The Companies Act, 2013 deals with matters related to Incorporation of Companies, Prospectus and allotment of securities, share capital and Debentures, Acceptance of Deposits by Companies, Management and Administration, Appointment and Qualifications of Directors and other matters incidental thereto which are necessary for better Corporate Governance, bringing in more transparency in relation to Compliances and protection of shareholders & creditors.

The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

EMPLOYMENT AND LABOUR LAWS

The Code on Wages, 2019

The new Code replaces the following four laws: (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. Under

the Act, the Central Government shall determine wage-related provisions in railways, mines, oil fields, etc., while the State Government is empowered to take such decisions in relation to other employments.

The Code on Social Security, 2020

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganized workers, gig workers and platform workers. In addition to above, we are subject to wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our laborers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Employees (Provident Fund and Miscellaneous Provision) Act, 1952.

The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Occupational Safety, Health and Working Conditions Code, 2020. The draft rules provide for operationalization of provisions in the Occupational Safety, Health and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labour, journalists, audio-visual workers and sales promotion employees.

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Public Liability Insurance Act, 1991 ('PLI Act')
- Industrial (Development and Regulation) Act, 1951 ('IDRA')
- Industrial Disputes Act, 1947 ('ID Act')
- Payment of Bonus Act, 1965 ('POB Act')
- Payment of Gratuity Act, 1972.
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Equal Remuneration Act, 1976 ('ER Act')
- Contract Labour (Regulation and Abolition) Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)
- Workmen Compensation Act, 1923 ('WCA')
- Maternity Benefit Act, 1961 ('Maternity Act')
- Industrial Employment Standing Orders Act, 1946
- The Employees Compensation Act, 1923 ('EC Act') and the rules framed thereunder
- Minimum Wages Act, 1948 ('MWA') and the rules framed thereunder

TAX RELATED LAWS

The Income Tax Act, 1961

The Income Tax Act deals with computation of tax liability of individuals, corporates, partnership firms and others. The Income-tax Act, 1961 ('IT Act') is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its 'Residential Status' and 'Type of Income' involved. As per the provisions of Income Tax Act, the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Income Tax Act. Filing of

returns of income is compulsory for all assesses. Furthermore, it requires every taxpayer to apply to the assessing officer for a permanent account number.

The Gujarat State Tax on Professions, Trades, Callings, and Employments Act, 1975

The Gujarat State Tax on Professions, Trades, Callings, and Employments Act, 1975 is a legislative framework designed to regulate and impose taxes on various professional and business activities within the state. Enacted to generate revenue for the state government, the Act mandates individuals engaged in specified professions, trades, callings, and employments to pay taxes based on their income. The Act outlines the procedures for registration, assessment, and collection of taxes, while also specifying the rates applicable to different categories of professions. Aimed at fostering economic growth and development, the Act plays a crucial role in the financial administration of the state by establishing a systematic taxation system on professional and business pursuits.

INTELLECTUAL PROPERTY RELATED LAWS

Indian Patents Act, 1970

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

The Trademark Act, 1999

The Trademark Act, 1999 was developed keeping in view the need for simplification of and harmonization of Trademarks system, registration and statutory protection for the purpose of prevention of the use of fraudulent marks in India. A trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. An application for trade mark registration may be made by any person claiming to be the proprietor of a trade mark used or proposed to be used by him, who is desirous of registering it. Once granted, trade mark registration is valid for ten years unless cancelled, which may be renewed for similar periods on payment of a prescribed renewal fee. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.

Designs Act, 2000 ('Designs Act')

Industrial designs have been accorded protection under the Designs Act. A 'Design' means only the features of shape, configuration, pattern, ornament or composition of lines or color or combination thereof applied to any article whether two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye, but does not include any mode or principle or construction or anything which is in substance a mere mechanical device, and expressly excludes works accorded other kinds of protection like property marks, Trademarks and Copyrights. Any person claiming to be the proprietor of a new or original design may apply for registration of the same under the Act before the Controller-General of Patents, Designs and Trade Marks. On registration, the proprietor of the design attains a copyright over the same. The duration of the registration of a design in India is initially ten years from the date of registration, but in cases where claim to priority has been allowed the duration is ten years from the priority date. No person may sell, apply for the purpose of sale or import for the purpose of sale any registered design, or fraudulent or obvious imitation thereof.

GENERAL LEGISLATIONS

The Arbitration and Conciliation Act, 2015 ('Arbitration Act')

The Arbitration Act was enacted to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law

relating to conciliation and for matters connected therewith or incidental thereto. The main objectives of the Act is to comprehensively cover international and commercial arbitration and conciliation as also domestic arbitration and conciliation, to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration. The Act provides for the arbitral tribunal to give reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction and thus minimizing the supervisory role of courts in the arbitral process.

The Indian Contract Act, 1872

The Indian Contract Act, 1872 ('Contract Act') codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

The Competition Act, 2002

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates 'combinations' in India. The Competition Act also established the Competition Commission of India (the 'CCI') as the authority mandated to implement the Competition Act. Combinations which are Likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

Transfer of Property Act, 1882 ('TP Act')

The Transfer of Property Act, 1882 (the 'TP Act') establishes the general principles relating to transfer of property in India. It forms a basis for identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for that purpose.

The Information Technology Act, 2000

The Information Technology Act, 2000 (the IT Act) is an Act of the Indian Parliament notified on October 17, 2000. It is the primary law in India dealing with cybercrime and electronic commerce. It was enacted with the purpose of providing legal recognition to electronic transactions and facilitating electronic filing of documents. The IT Act further provides for civil and criminal liability including fines and imprisonment for various cyber-crimes, including unauthorized access to computer systems, unauthorized modification to the contents of computer systems, damaging computer systems, and the unauthorized disclosure of confidential Information and computer fraud.

The Indian Stamp Act, 1899

Under the Indian Stamp Act, 1899, stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state.

The Registration Act, 1908

The purpose of the Registration Act, amongst other things, is to provide a method of public registration of documents so as to give information to people regarding legal rights and obligations arising or affecting a particular property, and to perpetuate documents which may afterwards be of legal importance, and also to prevent fraud.

Negotiable Instruments Act, 1881

In India, the laws governing monetary instruments such as cheques are contained in the Negotiable Instruments Act, 1881. The Act provides effective legal provision to restrain people from issuing cheque without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheque on the ground of insufficiency of funds in the account maintained by a person with the banker.

Limitation Act, 1963

The law relating to Law of Limitation to India is the Limitation Act, 1859 and subsequently Limitation Act, 1963 which was enacted on 5th of October, 1963 and which came into force from 1st of January, 1964 for the purpose of consolidating and amending the legal principles relating to limitation of suits and other legal proceedings. The basic concept of limitation is relating to fixing or prescribing of the time period for barring legal actions. According to Section 2 (j) of the Limitation Act, 1963, 'period of limitation' means the period of limitation prescribed for any suit, appeal or application by the Schedule, and 'prescribed period' means the period of limitation computed in accordance with the provisions of this Act.

FOREIGN REGULATIONS

Foreign Exchange Management Act, 1999

Foreign investment in India is primarily governed by the provisions of FEMA and the rules and regulations promulgated there under. Foreign Exchange Management Act, 1999 ('FEMA') was enacted to consolidate and amend the law relating to foreign exchange with the objective of facilitating external trade and for promoting the orderly development and maintenance of foreign exchange market in India. FEMA extends to whole of India. This Act also applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention committed thereunder outside India by any person to whom the Act is applies. The Act has assigned an important role to the Reserve Bank of India (RBI) in the administration of FEMA.

FEMA Regulations

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ('FEMA Regulations') to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India

SECTION IX – ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained the Issue Materials, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer/Draft Letter of Offer. Unless otherwise permitted under the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer/Draft Letter of Offer.

*Further, SEBI has pursuant to the SEBI Rights Issue Circular stated that in the event there are physical shareholders who have not been able to open a demat account pursuant to the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 or are unable to communicate their demat account details to our Company or the Registrar for credit of Rights Entitlements, such physical shareholders may be allowed to submit their Application. For more details, please see ‘**Application By Eligible Equity Shareholders Holding Equity Shares In Physical Form**’ on page 190 of this Letter of Offer.*

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer/Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

IMPORTANT

1. Dispatch and availability of Issue materials

In accordance with the SEBI (ICDR) Regulations , ASBA Circular, SEBI Rights Issue Circulars , our Company will send/dispatch at least 3 (Three) days before the Issue Opening Date, the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other applicable Issue Materials only to the Eligible Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them. Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Investors can access the Letter of Offer/Draft Letter of Offer, the Abridged Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

Access of Documents on the website of	URL of websites
Company	www.shangardecor.com

Registrar to the Issue	www.purvashare.com
BSE Limited	www.bseindia.com

Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue's website at www.purvashare.com by entering their DP-ID, Client-ID, or Folio Number (for Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date) and PAN. The link for the same shall also be available on the website of our Company at www.shangardecor.com.

Further, our Company will undertake all adequate steps to reach out to the Eligible Shareholders who have provided their Indian address through other means, as may be feasible.

Please note that, our Company and the Registrar to the Issue will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer/Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form or delay in the receipt of the Letter of Offer/Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit. Resident Eligible Equity Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number.

The distribution of this Letter of Offer, Abridged Letter of Offer/Draft Letter of Offer, the Rights Entitlement Letter, and the issue of Rights Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI, BSE Limited. Accordingly, the Rights Entitlements and Rights Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer/Draft Letter of Offer, the Rights Entitlement Letter, or the Application Form (including by way of electronic means) will not constitute an offer, invitation to, or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer/Draft Letter of Offer, the Rights Entitlement Letter, or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer/Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form should not, in connection with the issue of the Rights Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer/Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer/Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Shares offered in the Issue will be deemed to have declared, represented, and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Letter of Offer, Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided a valid e-mail address and an Indian address to our Company.

The Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

2. Process of making an Application in this Issue

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI - Rights Issue Circulars, and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA detailed under the Paragraph titled 'Procedure for Application through the ASBA Process' on page 185 of this Letter of Offer.

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

The Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions, and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, please see the section entitled '*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*' on page 176 of this Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Rights Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Entitlements by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect

depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, please see the paragraph titled ‘Grounds for Technical Rejection’ on page 194 of this Letter of Offer. Our Company, the Registrar to the Issue, and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI (ICDR) Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, please see the section entitled ‘*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*’ on page 188 of Letter of Offer.

3. Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders

In accordance with Regulation 77A of the SEBI (ICDR) Regulations, read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

- (i) The demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and
- (ii) A demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to:
 - (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
 - (b) Equity Shares held in the account of IEPF authority; or
 - (c) The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or
 - (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or
 - (e) Credit of the Rights Entitlements returned/reversed/failed; or
 - (f) The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable
 - (g) Eligible Equity Shareholders who have not provided their Indian addresses.

Eligible Equity Shareholders, whose Rights Entitlements are credited in demat suspense escrow account opened by our Company, are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc. details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date, *i.e.*, by Friday, 6th December, 2024 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar, to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (*i.e.* www.purvashare.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the

Registrar (i.e. www.purvashare.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. www.shangardecor.com)

Other important links and helpline

The Investors can visit following links for the below-mentioned purposes:

Particulars	Website Links
Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors	www.purvashare.com
Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders	
Updation of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar or our Company	support@purvashare.com , newissue@purvashare.com
Updation of demat account details by Eligible Equity Shareholders holding shares in physical form	

Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounee(s) as well.

Basis for this Issue

The Rights Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date, i.e. Monday, 28th October, 2024.

Rights Entitlements

Eligible Equity Shareholders whose name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, i.e. Monday, 28th October, 2024 , you may be entitled to subscribe to the number of Rights Shares as set out in the Rights Entitlement Letter.

The Registrar will send/dispatch a Rights Entitlement Letter along with the Abridged Letter of Offer and the Common Application Form to all Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlements or Rights Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions, which will contain details of their Rights Entitlements based on their shareholding as on the Record Date.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e. www.purvashare.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. www.shangardecor.com).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar

(i.e. www.purvashare.com) . Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send/dispatch the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Shares is permitted under laws of such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. For further details, please refer to the section titled '*Notice to Investors*' on page 12 of this Letter of Offer.

PRINCIPAL TERMS OF THIS ISSUE

Face Value	Each Rights Equity Share will have the face value of ₹5.00/- (Rupees Five Only).
Issue Price	The entire amount of the Issue Price of ₹ 5.76 /- per Rights Equity Share shall be payable at the time of Application.
Rights Entitlements Ratio	The Rights Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 7 (Seven) Rights Shares for every (1) Equity Shares held by the Eligible Equity Shareholders as on the Record Date i.e., Monday, 28 th October, 2024.
Renunciation of Rights Entitlements	<p>This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.</p> <p>The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and <i>vice versa</i> shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.</p> <p>The renunciation of Rights Entitlements credited in your demat account can be made either by way of On Market or through off-market transfer. For details, see '<i>Procedure for Renunciation of Rights Entitlements</i>' on page 186 of this Letter of Offer.</p> <p>In accordance with SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least 2 (Two) Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.</p>
Credit of Rights Entitlements in dematerialised account	In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company (namely, “[Shangar Decor Limited-RE Account]-DEMAT SUSPENSE ACCOUNT”), for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date, i.e. Monday, 28 th October, 2024; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court

	<p>proceedings, as applicable; or (g) Eligible Equity Shareholders who have not provided their Indian addresses.</p> <p>In this regard, our Company has made necessary arrangements with NSDL and CDSL for the credit of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE118R20016 . The said ISIN shall remain frozen (for debit) until the Issue Opening Date and shall be active for renunciation or transfer only during the Renunciation Period, i.e., from Friday, 8th November, 2024 to Friday, 29th November, 2024 (both days inclusive). It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.</p> <p>Eligible Equity Shareholders, whose Rights Entitlement are credited in demat suspense escrow account opened by our Company are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, <i>i.e.</i>, by Friday, 6th December, 2024 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (<i>i.e.</i> www.purvashare.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.</p> <p>Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to BSE Limited after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.</p> <p>PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, <i>PER SE</i>, ENTITLE THE INVESTORS TO THE RIGHTS SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS SHARES ON OR BEFORE THE ISSUE CLOSING DATE I.E., Friday, 6th December, 2024 AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE ‘PROCEDURE FOR APPLICATION’ ON PAGE 183 OF THIS DRAFT LETTER OF OFFER.</p>
<p>Trading of the Rights Entitlements</p>	<p>In accordance with the SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on BSE Limited under Rights Entitlement ISIN INE118R20016. Prior to the Issue Opening Date, our Company will obtain the approval from BSE Limited for trading of Rights Entitlements. Investors shall be able to trade/ transfer their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.</p> <p>The On Market Renunciation shall take place electronically on the secondary market platform of Stock Exchanges on T+1 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights</p>

	<p>Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is One Rights Entitlement.</p> <p>The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, <i>i.e.</i>, from Friday, 8th November, 2024 to Friday, 29th November, 2024 (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date. For details, see 'Procedure for Renunciation of Rights Entitlements – On Market Renunciation' and 'Procedure for Renunciation of Rights Entitlements – Off Market Renunciation' on page 187 of this Letter of Offer. Once the Rights Entitlements are credited to the demat account of the Renounees, application in the Issue could be made until the Issue Closing Date. For details, see 'Procedure for Application' on page 183 of this Letter of Offer.</p> <p>Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.</p>
Terms of Payment	The entire amount of the Issue Price of ₹ 5.76/- per Rights Equity Share shall be payable at the time of Application.
Credit Rating	As this Issue is a rights issue of Rights Shares, there is no requirement of credit rating for this Issue.
Ranking	The Rights Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer/Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Common Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with BSE the terms and conditions as stipulated in the Allotment advice. The Rights Shares to be issued and allotted under this Issue shall, upon being fully paid up, rank <i>pari passu</i> with the existing Equity Shares, in all respects including dividends. In respect of the Rights Shares, Investors are entitled to dividend in proportion to the amount paid up and their voting rights exercisable on a poll shall also be proportional to their respective share of the paid up equity capital of our Company.
Listing and trading of the Rights Shares to be issued pursuant to this Issue	<p>Subject to receipt of the listing and trading approvals, the Rights Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE Limited. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Shares will be taken within such period prescribed under the SEBI (ICDR) Regulations. Our Company has received in-principle approval from the BSE Limited vide its letter bearing reference number LOD/RIGHT/VK/FIP/1040/2024-25 dated 3rd October, 2024 respectively. Our Company will apply to BSE Limited for final approvals for the listing and trading of the Rights Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Shares or the price at which the Rights Shares offered under this Issue will trade after the listing thereof.</p> <p>For an applicable period, the trading of the Rights Shares would be suspended under the applicable law. The process of corporate action for crediting the fully paid-up Rights Shares to the Investors' demat accounts may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount.</p> <p>The existing Equity Shares are listed and traded on BSE Limited (Scrip Code: 540259) (Symbol: SHANGAR) under the ISIN: INE118R01024. The Rights Shares shall be credited to a temporary RE ISIN which will be frozen until the receipt of the final</p>

	<p>listing/ trading approvals from BSE Limited Scrip Code: 540259. Upon receipt of such listing and trading approvals, the Rights Shares shall be debited from such temporary RE ISIN and credited to the new ISIN for the Rights Shares and thereafter be available for trading and the temporary RE ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.</p> <p>The listing and trading of the Rights Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.</p> <p>In case our Company fails to obtain listing or trading permission from BSE Limited, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/ blocked within four (4) days of receipt of intimation from Stock Exchanges, rejecting the application for listing of the Rights Shares, and if any such money is not refunded/ unblocked within four (4) days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.</p> <p>For details of trading and listing of partly paid-up Rights Shares, please refer to the heading ‘Terms of Payment’ at page 180 of this Letter of Offer.</p>
Subscription to this Issue by our Promoter	For details of the intent and extent of subscription by our Promoter, please refer to the chapter titled ‘ <i>Capital Structure – Intention and extent of participation by Our promoter</i> ’ on page 44 of this Letter of Offer.
Rights of Holders of Rights equity Shares of our Company	<p>Subject to applicable laws, Rights Equity Shareholders shall have the following rights:</p> <ol style="list-style-type: none"> The right to receive dividend, if declared; The right to vote in person, or by proxy; The right to receive surplus on liquidation; The right to free transferability of Rights Shares; The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law; and Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association. <p>Subject to applicable law and Articles of Association, holders of Rights Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Shares in this Issue</p>

GENERAL TERMS OF THE ISSUE

Market Lot	The Rights Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Shares in dematerialised mode is one (1) Equity Share.
Joint Holders	Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Shares offered in this Issue.

Nomination	Nomination facility is available in respect of the Rights Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose. Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Shares to be Allotted in this Issue. Nominations registered with the respective Depository Participants of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.
Arrangements for Disposal of Odd Lots	The Rights Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be 1 (one) Rights Share and hence, no arrangements for disposal of odd lots are required.
New Financial Instruments	There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.
Restrictions on transfer and transmission of shares and on their consolidation/splitting	There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI (LODR) Regulations, with effect from April 1, 2019 and as amended vide SEBI Notification bearing No. SEBI/LAD-NRO/GN/2022/66 on January 24, 2022, the request for transfer of securities shall not be effected unless the securities are held in the dematerialized form with a depository. Provided further that transmission or transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form.
Notices	<p>In accordance with the SEBI (ICDR) Regulations and the SEBI Rights Issue Circulars, our Company will send / dispatch the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter, Common Application Form and other issue materials ('Issue Materials') only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.</p> <p>Further, the Letter of Offer will be sent/ dispatched by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.</p> <p>All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in (i) one English language national daily newspaper with wide circulation; (ii) one Hindi language national daily newspaper with wide circulation; and (iii) one Gujarati language daily newspaper with wide circulation (Gujarati being the regional language of Gujarat, where our Registered Office is situated) and/or, will be sent by post or electronic transmission or other permissible mode to the addresses of the Eligible Equity Shareholders provided to our Company. This Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Common Application Form shall also be submitted with BSE Limited for making the same available on their websites.</p>
Offer to Non-Resident Eligible Equity Shareholders/Investors	As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights shares to non-resident shareholders including additional rights shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii)

renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar by email on support@purvashare.com or physically/postal means at the address of the Registrar mentioned on the cover page of the Letter of Offer. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Common Application Form shall be sent/dispached to the email addresses and Indian addresses of non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. Investors can access the Letter of Offer/Draft Letter of Offer, the Abridged Letter of Offer and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Shares under applicable securities laws) from the websites of the Registrar, our Company and Stock Exchanges. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to their patriation as are applicable to the original Equity Shares against which Rights Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, *i.e.* Monday, 28th October, 2024 see '*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*' on page 190 of this Letter of Offer.

The Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions *etc.* in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Common Application Form

The Common Application Form for the Rights Shares offered as part of this Issue would be sent/ dispatched (i) only to email address of the resident Eligible Equity Shareholders who have provided their email address; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, who have not provided a valid email address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Shares is permitted under laws of such jurisdictions. The Common Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent/ dispatched at least three days before the Issue Opening Date. The Renounees and Eligible Equity Shareholders who have not received the Common Application Form can download the same from the website of the Registrar, our Company or BSE Limited.

In case of non-resident Eligible Equity Shareholders, the Common Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions.

Please note that neither our Company nor the Registrar to the Issue shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Common Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.purvashare.com. Investors can access this Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Shares under applicable securities laws) from the websites of:

Access of Documents on the website of	URL of websites
Company	www.shangardecor.com
Registrar to the Issue	www.purvashare.com
BSE Limited	www.bseindia.com

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.* www.purvashare.com) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.shangardecor.com).

The Common Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue, based on the Rights Entitlement credited in their respective demat accounts. Please note that one single Common Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account. In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Rights Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Common Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Shares by submitting the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Common Application Form is correctly filled up stating therein, the ASBA Account (in case of Application through ASBA process) in which an amount equivalent

to the amount payable on Application as stated in the Common Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Common Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see ‘*Grounds for Technical Rejection*’ on page 194 of this Letter of Offer. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see ‘*Application on Plain Paper under ASBA process*’ on page 188 of this Letter of Offer.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- (i) Apply for its Rights Shares to the full extent of its Rights Entitlements; or
- (ii) Apply for its Rights Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) Apply for Rights Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) Apply for its Rights Shares to the full extent of its Rights Entitlements and apply for additional Rights Shares; or
- (v) Renounce its Rights Entitlements in full.
- (vi) In accordance with the SEBI Rights Issue Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e., Friday, 6th December, 2024, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period through ASBA mode. Such resident Eligible Equity Shareholders must check the procedure for Application in ‘*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*’ on page 190 of this Letter of Offer.

PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Common Application Form, or have otherwise provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Common Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Common Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

The Company, its directors, employees, affiliates, associates and their respective directors and officers, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions, and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Shares (i) by submitting the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Please note that on the Issue Closing Date for Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section '*Application on Plain Paper under ASBA process*' on page 188 of this Letter of Offer.

Additional Rights Shares

Investors are eligible to apply for additional Rights Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Shares under applicable law and they have applied for all the Rights Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Rights Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section '*Basis of Allotment*' on page 199 of this Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Shares

Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Rights Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, Such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Shares while submitting the Application through ASBA process.

PROCEDURE FOR RENUNCIATION OF RIGHTS ENTITLEMENTS

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of Stock Exchanges; or (b) through an off-market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/ her own demat account prior to the renunciation. In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, , the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state, or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. The Company accepts no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on BSE Limited under RE ISIN INE118R20016 subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by BSE Limited from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from Friday, 8th November, 2024 to Friday, 29th November, 2024 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the RE ISIN INE118R20016 and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+1 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of Stock Exchanges and SEBI.

Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the RE ISIN INE118R20016, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

APPLICATION ON PLAIN PAPER UNDER ASBA PROCESS

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper, in case of non-receipt of Common Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Common Application Form for any purpose including renunciation even if it is received subsequently. For details of the mode of payment, see “Modes of Payment” on page 190.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Shangar Decor Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Registered Folio Number/ DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option – only dematerialised form;
6. Number of Rights Shares entitled to;
7. Number of Rights Shares applied for within the Rights Entitlements;
8. Number of additional Rights Shares applied for, if any;

9. Total number of Rights Shares applied for;
10. Total amount paid at the rate of ₹ 5.76/- per Rights Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Shares applied for pursuant to this Issue;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
16. In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

'I/ We understand that neither the Rights Entitlements nor the Rights Shares have been, or will be, registered under the US Securities Act of 1933, as amended (the 'US Securities Act'), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the 'United States'), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/we understand the Rights Shares referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act ('Regulations') to existing shareholders located in jurisdictions where such offer and sale of the Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar to the Issue or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and United States and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer.

I/ We understand and agree that the Rights Entitlements and Rights Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We acknowledge that we, the Company, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.'

In cases where multiple Common Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Common Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at **Error! Hyperlink reference not valid.**

Our Company, and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

MODE OF PAYMENT

All payments against the Common Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Common Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the amount payable on Application with the submission of the Common Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Common Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Common Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Common Application Form.

The SCSB may reject the application at the time of acceptance of Common Application Form if the ASBA Account, details of which have been provided by the Investor in the Common Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Common Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our

Company. In the event, the relevant details of the demat accounts of such Eligible Equity Shareholders are not received during the Issue Period, then their Rights Entitlements kept in the suspense escrow demat account shall lapse.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.purvashare.com.

PROCEDURE FOR APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date, i.e. Monday, 28th October, 2024 and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- (c) The Eligible Equity Shareholders can access the Common Application Form from:

Access of Documents on the website of	URL of websites
Company	www.shangardecor.com
Registrar to the Issue	www.purvashare.com
BSE Limited	www.bseindia.com

- (d) Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, www.purvashare.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.* www.shangardecor.com);
- (e) The Eligible Equity Shareholders shall, on or before the Issue Closing Date, submit the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020,

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE, I.E. MONDAY, 28TH OCTOBER, 2024 AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

ALLOTMENT OF THE RIGHTS SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE.

GENERAL INSTRUCTIONS FOR INVESTORS

- (a) Please read this Draft Letter of Offer/Letter of Offer carefully to understand the Application process and applicable settlement process.

- (b) Please read the instructions on the Common Application Form sent to you.
- (c) The Common Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
- (d) Application should be made only through the ASBA facility.
- (e) Application should be complete in all respects. The Common Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form are liable to be rejected. The Common Application Form must be filled in English.
- (f) In case of non-receipt of Common Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section '*Application on Plain Paper under ASBA process*' on page 188 of this Letter of Offer.
- (g) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.
- (h) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- (i) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date for Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by BSE Limited. Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
- (j) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Common Application Form.
- (k) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be 'suspended for credit' and no Allotment and credit of Rights Shares pursuant to this Issue shall be made into the accounts of such Investors. Further, in case of Application in joint names, each of the joint Applicants should sign the Common Application Form.**
- (l) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- (m) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (n) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Common Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

- (o) All communication in connection with Application for the Rights Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Common Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- (p) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- (q) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
- (r) Investors are required to ensure that the number of Rights Shares applied for by them do not exceed the prescribed limits under the applicable law.
- (s) An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.
- (t) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

Do's:

- (a) Ensure that the Common Application Form and necessary details are filled in.
- (b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- (c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (***'Demographic Details'***) are updated, true and correct, in all respects.
- (d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
- (e) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Shares will be allotted in the dematerialized form only.
- (f) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (g) Ensure that there are sufficient funds (equal to {number of Rights Shares (including additional Rights Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Common Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (h) Ensure that you have authorised the SCSB for blocking funds equivalent to the amount payable on application mentioned in the Common Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (i) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

- (j) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Common Application Form in physical form or plain paper Application.
- (k) Ensure that the name(s) given in the Common Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Common Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Common Application Form and the Rights Entitlement Letter.

Dont's:

- (a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (e) Do not submit multiple Applications.
- (f) Do not submit the Common Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.
- (g) Do not send your physical Application to the Registrar to the Issue, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (h) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
- (b) Sending an Application to the Registrar to the Issue and Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.
- (c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (d) Funds in the ASBA Account whose details are mentioned in the Common Application Form having been frozen pursuant to regulatory orders.
- (e) Account holder not signing the Application or declaration mentioned therein.
- (f) Submission of more than one Common Application Form for Rights Entitlements available in a particular demat account.
- (g) Multiple Common Application Forms, including cases where an Investor submits Common Application Forms along with a plain paper Application.
- (h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.

- (j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (k) Common Application Forms which are not submitted by the Investors within the time periods prescribed in the Common Application Form and the Letter of Offer.
- (l) Physical Common Application Forms not duly signed by the sole or joint Investors.
- (m) Common Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- (o) Applications which: (i) does not include the certifications set out in the Common Application Form; (ii) appears to us or our agents to have been executed in or dispatched from a Restricted Jurisdiction; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Common Application Form is incomplete or acceptance of such Common Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Shares in respect of any such Common Application Form.
- (p) Applications which have evidence of being executed or made in contravention of applicable securities laws.

Depository account and bank details for Investors holding Equity Shares in demat accounts and applying in this Issue

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE COMMON APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE COMMON APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE COMMON APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE COMMON APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Common Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Common Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Common Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or the Registrar to the Issue shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Common Application Forms are liable to be rejected.

MODES OF PAYMENT

All payments against the Common Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Common Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the amount payable on Application with the submission of the Common Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Common Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Common Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Common Application Form.

The SCSB may reject the application at the time of acceptance of Common Application Form if the ASBA Account, details of which have been provided by the Investor in the Common Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Common Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

Mode of payment for Resident Investors

- (a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Shares will be Allotted in the dematerialized form only.
- (b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (c) Ensure that there are sufficient funds (equal to {number of Rights Shares (including additional Rights Shares) applied for} X {Application Money of Rights Shares}) available in ASBA Account mentioned in the Common Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (d) Ensure that you have authorised the SCSB for blocking funds equivalent to the amount payable on application mentioned in the Common Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Common Application Form in physical form or plain paper Application.

Ensure that the name(s) given in the Common Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Common Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Common Application Form and the Rights Entitlement Letter. All payments on the Common Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through the ASBA facility and using permissible accounts in accordance with the FEMA, FEMA Rules and requirements prescribed by the RBI and subject to the following conditions:

1. Individual non-resident Indian Applicants who are permitted to subscribe to Rights Shares by applicable local securities laws can obtain Common Application Forms on the websites of the Registrar, our Company.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions (other than the United States and India) where the offer and sale of the Rights Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering such jurisdiction. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions and in each case who make a request in this regard.

2. Common Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Shares may be restricted by applicable securities laws.
3. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

Notes:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act.
2. In case Rights Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Shares cannot be remitted outside India.
3. In case of a Common Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Common Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Shares.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can

be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see '*Procedure for Applications by Mutual Funds*' on page 203 of this Draft Letter of Offer.

In cases where multiple Common Application Forms are submitted, including cases where an Investor submits Common Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected.

Last date for Application

The last date for submission of the duly filled in the Common Application Form or a plain paper Application is Friday, 6th December, 2024 , *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Common Application Form is not submitted with an SCSB, uploaded with BSE Limited the Application Money is not blocked with the SCSB or not received by the Bankers to the Issue or the Registrar on or before, the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Shares hereby offered, as provided under the paragraph titled '*Basis of Allotment*' on page 199 of this Letter of Offer.

Please note that on the Issue Closing Date for Applications through ASBA process shall be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by Stock Exchanges.

Please ensure that the Common Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

Issue Schedule

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	Friday, 8 th November, 2024
ISSUE OPENING DATE	Friday, 8 th November, 2024
LAST DATE FOR ON MARKET RENUNCIATION*	Friday, 29 th November, 2024
ISSUE CLOSING DATE#	Friday, 6 th December, 2024
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	Thursday, 12 th December, 2024
DATE OF ALLOTMENT (ON OR ABOUT)	Thursday, 12 th December, 2024
DATE OF CREDIT (ON OR ABOUT)	Thursday, 19 th December, 2024
DATE OF LISTING (ON OR ABOUT)	Tuesday, 24 th December, 2024

* *Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date, i.e. Friday, 6th December, 2024 .

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, i.e. Monday 28th October, 2024, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than

two (2) Working Days prior to the Issue Closing Date, *i.e.*, Friday, 6th December, 2024 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.* Friday, 6th December, 2024 .

For details, please see the section titled '**General Information - Issue Schedule**' on page 41 of this Letter of Offer.

BASIS OF ALLOTMENT

Subject to the provisions contained in the Letter of Offer/Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Common Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board or duly authorized committee will proceed to Allot the Rights Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part as adjusted for fractional entitlement.
- (b) As per SEBI Rights Issue Circular, Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, *i.e.* Monday, 28th October, 2024, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board or our duly authorized committee in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (e) Allotment to any other person, that our Board or a duly authorized committee may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board or a duly authorized committee in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (e) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations (or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of on or before T+1 day (T: Basis of allotment day). In case of failure to do so, our Company shall pay interest at 15% p.a. or such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds /refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

- (a) Unblocking amounts blocked using ASBA facility.
- (b) NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character Recognition (“MICR”) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct
- (c) National Electronic Fund Transfer (“NEFT”) – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“IFSC Code”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as at a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar, to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- (d) Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- (e) RTGS – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.

- (f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
- (g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA account of FCNR/NRE Account of the non-resident Applicants, details of which were provided in the Common Application Form.

Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (in case of credit of the Rights Equity Shares returned/ reversed/ failed) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS WHERE THE CREDIT OF THE RIGHTS EQUITY SHARES RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated 22nd February, 2016 with NSDL and an agreement dated 28th July, 2014 with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Common Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Common Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Common Application Form, the Investor will not get any Rights Equity Shares and the Common Application Form will be rejected.

5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Common Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc.*). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue for further details, please refer to 'Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form' on page 190 of this Letter of Offer .

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, 100%).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which maybe specified by the Government from time to time. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

- (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- (b) Prior consent of the FPI is obtained for such transfer, except when the persons to whom the off shore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centers where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Applications will not be accepted from FPIs in restricted jurisdictions.

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹ 2 lacs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lacs.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ('OCI') may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ('**Restricted Investors**'), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights

Procedure for Applications by Systemically Important Non-Banking Financial Companies ('NBFC-SI')

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net worth certificates from its statutory auditors or any independent chartered accountant based on the last audited consolidated financial statements is required to be attached to the application.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

‘Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.’

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending upto three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 1 millions or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 5 million or with both.

Payment by stock invest

In terms of the RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

DISPOSAL OF APPLICATION AND APPLICATION MONEY

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Common Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Common Application Form would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board or our duly authorized committee reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Common Application Form carefully.

UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilized; and

- C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- 1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- 2) All steps for completion of the necessary formalities for listing and commencement of trading at BSE Limited will be taken within the time limit specified by SEBI.
- 3) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- 4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 (Fifteen) days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- 5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- 6) Adequate arrangements shall be made to collect all ASBA Applications.
- 7) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.
- 8) Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

MINIMUM SUBSCRIPTION

The objects of the Issue are meeting the Working Capital Requirements and General Corporate Purpose, and do not involve financing of capital expenditure for a project. However, our promoters have indicated that they will not subscribe fully to their portion of right entitlement. Accordingly, in terms of Regulation 86(1) of the SEBI ICDR Regulations, the requirement of minimum subscription is applicable to the Issue.

If our Company does not receive the minimum subscription of at least 90% of the Equity Shares being offered under this Issue, on an aggregate basis, of the Issue Size, or the subscription level falls below 90% of the Issue Size, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is any delay in the refund of the subscription amount beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period, at such rates as prescribed under the applicable laws.

IMPORTANT

1. Please read the Draft letter of Offer/Letter of Offer carefully before taking any action. The instructions contained in the Common Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer/Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Common Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Common Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Common Application Form and super scribed 'Shangar Decor Limited – Rights Issue' on the envelope and postmarked in India or in the email) to the Registrar at the following address:

Purva Shareregistry (India) Private Limited,

Unit no. 9, Shiv Shakti Ind. Estt. J. R. Boricha Marg, Lower Parel (E), Mumbai-400 011, Maharashtra.

Contact Number: +91 22 4961 4132

Investor grievance e-mail: newissue@purvashare.com

Website: www.purvashare.com

Contact Person: Deepali Dhuri, Compliance Officer;

SEBI Registration Number: INRO00001112;

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.purvashare.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are : +91 22 4961 4132
4. This Issue will remain open for a minimum 7 (Seven) days. However, our Board or our duly authorized committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

There are two routes through which foreign investors may invest in India. One is the 'automatic route', where no government approval is required under Indian foreign exchange laws to make an investment as long as it is within prescribed thresholds for the relevant sector. The other route is the 'government route', where an approval is required under foreign exchange laws from the relevant industry regulator, prior to the investment.

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise way such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ('**FDI Circular 2020**'), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that:

1. The activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI (SAST) Regulations;
2. The non- resident shareholding is within the sectoral limits under the FDI Policy; and
3. The pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid to make any investment in the Issue.

The Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated September 16, 2003, issued by RBI, Overseas Corporate Bodies have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable

laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION X – OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialised form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder, or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered more than 2 (Two) years prior to the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the aforementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. (Indian Standard Time) and 5 p.m. (Indian Standard Time) on all Working Days from the date of the Letter of Offer until the Issue Closing Date.

MATERIAL CONTRACTS FOR THE ISSUE

1. Registrar Agreement dated 4th September, 2024 between our Company and the Registrar to the Issue;
2. Bankers to the Issue Agreement dated 23rd October, 2024 among our Company, the Registrar to the Issue and the Bankers to the Issue;

MATERIAL DOCUMENTS IN RELATION TO THE ISSUE

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company;
2. Certificate of incorporation of our Company and certificate of commencement of business;
3. Copies of annual reports for the preceding 5 (Five) Financial Years and un-audited financial result for the six months ended 30th September, 2024.
4. Resolution of our Board of Directors dated 3rd September, 2024, approving the Issue;
5. Resolution of our Board of Directors dated 5th September, 2024, approving this Draft Letter of Offer;
6. Resolution of our Board of Directors dated 22nd October, 2024, finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio;
7. Resolution of our Board of Directors dated 24th October, 2024, approving the Letter of Offer;
8. Consents of our Directors, Bankers to our Company, Bankers to the Issue, and the Registrar to the Issue for inclusion of their names in the Letter of Offer to act in their respective capacities;
9. Report on Statement of Special Tax Benefits dated 3rd September, 2024, for our Company from the Statutory Auditors of our Company;
10. In-principle approval issued by BSE Limited vide their letter bearing reference number 'LOD/RIGHT/VK/FIP/1040/2024/25' dated 3rd October, 2024;
11. Tripartite Agreement dated 22nd February, 2016 between our Company, National Securities Depository Ltd. (NSDL) and Registrar to the Issue;
12. Tripartite Agreement dated 28th July, 2014 between our Company, Central Depository Services (India) Limited (CDSL) and Registrar to the Issue;

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without notice to the Eligible Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

Signed by the Director of our Company

**Sd/-
Saumil Shrenikbhai Shah
Director & CFO
DIN: 01601299**

**Place: Ahmedabad
Date: 24th October, 2024**

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

Signed by the Director of our Company

**Sd/-
Samirbhai Rasiklal Shah
Managing Director
DIN: 00787630**

**Place: Ahmedabad
Date: 24th October, 2024**

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

Signed by the Director of our Company

**Sd/-
Moulin Samir Shah
Non- Executive Director
DIN: 08948652**

**Place: Ahmedabad
Date: 24th October, 2024**

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

Signed by the Director of our Company

Sd/-

Bhavinkumar Arvindkumar Patel
Non- Executive Independent Director
DIN: 06604431

Place: Ahmedabad
Date: 24th October, 2024

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

Signed by the Director of our Company

**Sd/-
Aanal Milankumar Satyawadi
Non- Executive Independent Director
DIN: 07381381**

**Place: Ahmedabad
Date: 24th October, 2024**

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

Signed by the Director of our Company

**Sd/-
Shubhangi Chourasia
Company Secretary & Compliance Officer
ACS 67818**

**Place: Ahmedabad
Date: 24th October, 2024**