




YUG DECOR LIMITED

Corporate Identification Number: L24295GJ2003PLC042531

Our Company was incorporated as Yug Adhesive Private Limited under the provision of the Companies Act, 1956 vide certificate of incorporation dated June 23, 2003 issued by the Asstt. Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Subsequently, the name of our Company was changed to Yug Decor Private Limited and a fresh certificate of incorporation dated December 07, 2004 pursuant to change of name was issued by Registrar of Companies, Gujarat. Consequent upon the conversion of our Company into public limited company, the name of our Company was changed to Yug Decor Limited and fresh certificate of incorporation dated September 14, 2016 was issued by the Deputy RoC, Registrar of Companies, RoC - Ahmedabad. The Corporate Identification Number of our Company was U24295GJ2003PLC042531. The equity shares of our Company were listed on SME platform of BSE Limited on May 31, 2017. The Scrip symbol 'YUG', Scrip Code '540550' and ISIN 'INE796W01019'. The Registered office of our company was shifted to 709-714, Sakar- V, B/H Natraj Cinema, Ashram Road, Ahmedabad, Gujarat, India, 380009 vide Board Resolution dated February 12, 2018. For further Details of our Company, please refer to section titled **"General Information"** beginning on page 28 of this Draft Letter of Offer.

Registered Office: 709-714, Sakar- V, B/H Natraj Cinema, Ashram Road, Ahmedabad, Gujarat, India, 380009.
Contact Person: Nidhi Devesh Bhatt Company Secretary and Compliance Officer; **Contact No.:** +91-9375202777
Email: account@yugdecor.com ; **Website:** www.yugdecor.com

PROMOTER OF OUR COMPANY		
MR. SANTOSHKUMAR RAMJILAL SARASWAT AND MR. CHADNRESH SARASWAT		
FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF YUG DECOR LIMITED ("COMPANY" OR "ISSUER") ONLY		
ISSUE OF UPTO ₹ [●] EQUITY SHARES OF FACE VALUE OF ₹10.00 EACH ("EQUITY SHARES" OR "RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER RIGHTS EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER RIGHTS EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING UP TO ₹500.00 LAKH ("THE ISSUE") ON A RIGHT BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHT EQUITY SHARE FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ON THE RECORD DATE, THAT IS [●] (THE "ISSUE"). FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE" BEGINNING ON PAGE 92 OF THIS DRAFT LETTER OF OFFER.		
WILFUL DEFAULTER OR A FRAUDULENT BORROWER		
Neither our Company nor the Promoter or any of the Directors are or have been categorized as a Wilful Defaulter or a Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on Wilful Defaulter or a Fraudulent Borrower issued by the Reserve Bank of India.		
GENERAL RISKS		
Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this 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 this Offer. For taking an investment decision, investors must rely on their own examination of our Company and this issue including the risks involved. The Rights Equity Shares have not been recommended or approved by Securities and Exchange Board of India ("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" given on page number 19 of this Draft Letter of Offer.		
ISSUER'S ABSOLUTE RESPONSIBILITY		
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft 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 Draft Letter of Offer as a whole or any of 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 and traded on SME platform of BSE Limited ("BSE"). Our Company has received 'in-principle' approval from the Stock Exchange for listing the Rights Equity Shares to be issued pursuant to this Issue vide their letters dated [●]. Our Company will also make applications to the Stock Exchange to obtain their 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 purpose of this Issue, the Designated Stock Exchange is BSE Limited.		
REGISTRAR TO THE ISSUE		
	SATELLITE CORPORATE SERVICES PRIVATE LIMITED	
	Address: A/106-107, Dattani Plaza, East West Industrial Compound, Andheri Kurla Road, Safed Pool, Sakinaka, Mumbai-400072, Mumbai – 400 072.	
	Tel: 022-28520467/ 462	
	SEBI REGN NO: INR000003639	
	Email Id: service@satellitecorporate.com / info@satellitecorporate.com ;	
	Website: www.satellitecorporate.com	
Contact Person: Mr. Michael Monteiro		
SEBI Registration No: INR000003639		
ISSUE PROGRAMME		
ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSURES ON**
[●]	[●]	[●]
<i>*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.</i>		
<i>**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, not exceeding 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.</i>		

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

DEFINITIONS

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective Applicant only and is not exhaustive.

This Draft 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.

In this Draft 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 Yug Decor Limited as the context requires, and references to ‘you’ are to the Eligible Equity Shareholders and/ or prospective Investors in this Right Issue of Equity Shares.

The words and expressions used in this Draft 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 pages 42, 39, 70, 80, and 92 respectively, shall have the meaning given to such terms in such sections.

COMPANY RELATED AND GENERAL TERMS

Term	Description
Yug Decor Limited/ the Company/ our Company	Yug Decor Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 having its registered office at 709-714, Sakar- V, B/H Natraj Cinema, Ashram Road, Ahmedabad, Gujarat, India, 380009
We/ us/ our	Unless the context otherwise indicates or implies, refers to Yug Decor Limited
AoA/ Articles of Association	The Articles of Association of Yug Decor Limited, as amended from time to time;
Associate	The Company do not have any Associate Company.
Audit Committee	The committee of the Board of Directors constituted as our Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013;
Auditors/ Statutory Auditors/ Peer Review Auditor	The current Statutory Auditors of our company being M/s Pankaj K Shah Associates, Chartered Accountants;
Board of Directors/ Board	Board of Directors of our Company;
Chairman & Managing Director	The Chairman & Managing Director of our Company i.e. Mr. Chandresh Santosh Kumar Saraswat;
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Mr. Lokeshkumar Laxminarayan Edival;
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Mrs. Nidhi Devesh Bhatt;
Equity Shares	Equity shares of the Company having face value of ₹10.00 (Rupees Ten only);
Independent Director	Independent directors on the Board and eligible to be appointed as an Independent Director under the provisions of Companies Act and SEBI (LODR) Regulations. For details of the Independent Directors, please refer to section titled “ <i>Our Management</i> ” beginning on page 67 of this Draft Letter of Offer;
ISIN	International Securities Identification Number being INE796W01019;
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, 2013. For details, please refer to section titled “ <i>Our Management</i> ” beginning on page 67 of this Draft Letter of Offer;
MoA/ Memorandum of Association	The Memorandum of Association of Yug Decot 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 Section 178 of the Companies Act, 2013;
Non-Executive Director	A Director, not being an Executive Director of our Company;
Promoters	Mr. Santosh kumar Ramjilal Saraswat and Mr. Chandresh S. Saraswat;

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 the Stock Exchanges under the SEBI (LODR) Regulations;
Registered Office	709-714, Sakar- V, B/H Natraj Cinema, Ashram Road, Ahmedabad, Gujarat, India, 380009
Registrar of Companies/ RoC	Registrar of Companies, Ahmedabad, Gujarat;
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;
Stock Exchange	Stock exchange where the Equity Shares are presently listed, being BSE Limited;
Unaudited Financial Results	The limited reviewed unaudited financial results for the six months period ended September 30, 2023, including the notes thereto and the report thereon. For details, see " <i>Financial Statements</i> " on page 70 of this Draft Letter of Offer;

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 Entitlements;
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 Money lying to the credit of the escrow account(s) and amounts 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 Date	Date on which the Allotment is made pursuant to the Issue;
Allottees	Persons to whom Rights Equity Shares are issued pursuant to the Issue;
Applicant(s)/ Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to this Issue in terms of the Letter of Offer, being an ASBA Investor;
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch 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 Equity Shares at the Issue Price;
Application Form	Unless the context otherwise requires, an application form (including online application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this issue;
Application Money	Aggregate amount payable at the time of Application ₹ [●] (Rupees [●] Only) in respect of the Rights Equity Shares applied for in this Issue at the Issue Price;
Application Supported by Blocked Amount or ASBA	Application used by ASBA Investors to make an application authorizing a SCSB to block the Application Money in the ASBA Account;
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be;
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 an Issue only through 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/ Refund Bank	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being [●];
Bankers to the Issue Agreement	Agreement dated [●] entered into by and amongst our Company, the Registrar to the Issue, and the Bankers to the Issue for collection of the Application Money from Investors making an application, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Investors and providing such other facilities and services as specified in the agreement;

Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in the Issue, and which is described in the chapter titled “ <i>Terms of the Issue</i> ” beginning on page 92 of this Draft Letter of Offer;
Controlling Branches /Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
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 ASBA Forms 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?doRecognisedFpi=yes&intmId=34 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time;
Designated Stock Exchange	SME platform of BSE Limited;
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996;
Draft Letter of Offer/ DLoF	This Draft Letter of Offer filed with the BSE Limited;
Eligible Equity Shareholder(s)	Eligible holder(s) of the Equity Shares of Yug Decor Limited as on the Record Date;
Escrow Account(s)	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident investors;
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●];
Issue/ Rights Issue	Issue of [●] equity shares with a face value of ₹10 each (“rights equity shares”) of our company for cash at a price of ₹ [●] each including a share premium of ₹ [●] per rights equity share (“issue price”) for an aggregate amount upto ₹ 500.00 Lacs* on a rights basis to the existing equity shareholders of our company in the ratio of [●] Right equity shares for every [●] Fully paid-up equity shares held by the existing equity shareholders on the record date, that is on [●] (the “issue”). The issue price for the rights equity shares is [●] Times the face value of the equity shares. *Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares.
Issue Closing Date	[●];
Issue Opening Date	[●];
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	₹ [●]/- (Rupees [●] Only) per Rights Equity Share including a premium of ₹ [●]/- (Rupees [●]) per Rights Equity Share);
Issue Proceeds	The proceeds of the Issue that are available to our Company;
Issue Size	Amount aggregating upto 5,00,00,000/- (Rupees upto Five Crore Only);
Letter of Offer/ LoF	The final letter of offer to be filed with the BSE after incorporating the observations received from the BSE on the Draft Letter of Offer;
Material Subsidiaries	Following company have been identified by our Company based on the materiality threshold adopted by our Board under SEBI Listing Regulations as Material Subsidiaries; Our Company does not have any Material Subsidiaries as of now;
MCA Circulars	General Circular No. 21/2020 dated May 11, 2020 issued by the Ministry of Corporate Affairs, Government of India, read with the circular dated August 3, 2020;
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/ Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application;
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 35 of this Draft 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 who intend to renounce their Rights Entitlement in part or full and Renouncees;
Non-Institutional Investors/ NIIs	An Investor 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 thereto;
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circular 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 Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circular and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [●];
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations;
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [●];
Registrar to the Issue	Satellite Corporate Services Private Limited;
Registrar Agreement	Agreement dated January 18, 2024 entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue;
Renouncees	Any persons who have acquired Rights Entitlements from the 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. [●]. Such period shall close on [●] 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 Renouncee on or prior to the Issue Closing Date i.e. [●];
Retail Individual Investors/ RIIs	Individual Investors who have applied for Equity Shares for an amount not more than ₹2,00,000/- (Rupees Two Lacs) (including HUFs applying through their Karta);
Rights Entitlement (s)/ Res	The number of Equity 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 [●] Equity Shares for every [●] Equity Shares held by an Eligible Equity Shareholder;
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders;
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue, on fully paid-up basis on Allotment;
Self-Certified Syndicate Banks/ SCSB(s)	Banks which are registered with the SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, and offer services of ASBA, and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=3
SEBI Rights Issue Circular	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020;
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange;
Wilful Defaulter or a Fraudulent Borrower	A Company or person categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or a fraudulent borrowers 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, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Ahmedabad are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, "Working Day" shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays;

INDUSTRY RELATED TERMS

Terms	Description
B.H.T.	Butylated Hydroxy Toluene
C.B.	Butyl Cellosolve
D.B.T.	Di Butyl Phthalate
D.B.T.L.	Di Butyl Tin Laurate
DCO	Dehydrated Castor Oil
D.E.P.	Di Ethyl Phthalate

D.M.P	Di Methyl Phthalate
D.O.P.	Di Octyl Phthalate
D.G.	Diesel Generator
HDPE	High Density Polyethylene
H2SO4	Sulphuric Acid
HP	Horse Power
I.P.A.	Iso Propyle Alcohol
Kcal	Kilo Calories
KG	Kilograms
KL	Kilo Litres
KVA	Kilo Volt Ampere
KWH	Kilo Watt Hour
LDO	Light Diesel Oil
Ltrs	Litres
MIBK	Methyl Iso Butyl Keton
M.E.G.	Mono Ethylene Glycol
M.G.O.	Magnesium Oxide
M.T.O.	Mineral Turpentine Oil
MW	Mega Watt
MTPA	Metric Tonnes Per Annum
P.P.S.	Potassium Per Sulphate
PTS Amide	Para Toluene Sulphonamide
PVA	Poly Vinyl Alcohol
QA	Quality Assurance
QC	Quality Control
R & D	Research and Development
RPM	Rotation Per Minute
TPU	Thermoplastic Poly Urathane
SBR	Styrene Butadiene Rubber
SPCB	Sodium Penta Chloro Phenate
IPTM	Tetra Iso Propyl Titanate
V.A.M.	Vinyl Acetate Monomer

ABBREVIATIONS

Term	Description
ADR	American Depository Receipt;
AGM	Annual General Meeting;
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;
BSE	BSE Limited;
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	The consolidated FDI Policy, effective from October 15, 2020, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
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 Participants) Regulations, 2018
Depositories Act	The Depositories Act, 1996;
DIN	Director Identification Number;
DP	Depository Participant;
DP-ID	Depository Participant's Identification;
DR	Depository Receipts;
EBITDA	Profit/(loss) after 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;
EEA	European Economic Area;
EPS	Earning per Equity Share;
FDI	Foreign Direct Investment;
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	Period of 12 months ending on 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;
GST	Goods and Services Tax;
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;
IT	Information Technology;
MCA	The Ministry of Corporate Affairs, GoI;
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;
NEFT	National Electronic Fund Transfer;
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	Non-resident external account;
NRI	Non-resident Indian;
NSDL	National Securities Depository Limited;
NSE	National Stock Exchange of India Limited;
OCB	Overseas Corporate Body;
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;
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America;
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America;
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;

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NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer or CAFs 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 and will electronically dispatch through email and physical dispatch through speed post the Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, the Letter of Offer will be provided, through email and speed post, 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 Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, SEBI and the Stock Exchange.

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

Any person who makes an application to acquire Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that she/he is authorized to acquire the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in her/his jurisdiction. Our Company, the Registrar to the Issue or any other person acting on behalf of us reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. Neither the delivery of Letter of Offer, Abridged Letter of Offer and CAFs 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.

Neither the delivery of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter 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 the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer, Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER, LETTER OF OFFER 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 RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, 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 EQUITY SHARES. IN ADDITION, NEITHER OUR COMPANY IS MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof ("United States"), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act

and applicable state securities laws. The offering to which this Draft Letter of Offer, Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Draft Letter of Offer, Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter 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 Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and this Draft Letter of Offer, Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that 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 Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the "US SEC"), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Draft Letter of Offer, Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

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 this Draft Letter of Offer, Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

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.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a Public Limited (Listed) Company under the laws of India and all the Directors and all Executive Officers are residents of India. It may not be possible or may be difficult for investors to affect service of process upon the Company or these other persons outside India or to enforce against them in courts in India, judgments obtained in courts outside India. India is not a party to any international treaty in relation to the automatic recognition or enforcement of foreign judgments.

However, recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A of the Code of Civil Procedure, 1908, as amended (the "Civil Procedure Code"). Section 44A of the Civil Procedure Code provides that where a certified copy of a decree of any superior court (within the meaning of that section) in any country or territory outside India which the Government of India has by notification declared to be a reciprocating territory, is filed before a district court in India, such decree may be executed in India as if the decree has been rendered by a district court in India. Section 44A of the Civil Procedure Code is applicable only to monetary decrees or judgments not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties. Section 44A of the Civil Procedure Code does not apply to arbitration awards

even if such awards are enforceable as a decree or judgment. Among others, the United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government of India to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code.

The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

A judgment of a court in any non-reciprocating territory, such as the United States, may be enforced in India only by a suit upon the judgment subject to Section 13 of the Civil Procedure Code, and not by proceedings in execution. Section 13 of the Civil Procedure Code, which is the statutory basis for the recognition of foreign judgments (other than arbitration awards), states that a foreign judgment shall be conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except where:

- The judgment has not been pronounced by a court of competent jurisdiction.
- The judgment has not been given on the merits of the case.
- The judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable.
- The proceedings in which the judgment was obtained are opposed to natural justice.
- The judgment has been obtained by fraud; and/or
- The judgment sustains a claim founded on a breach of any law in force in India.

A suit to enforce a foreign judgment must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. In addition, it is unlikely that an Indian court would enforce foreign judgments if it considered the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India to repatriate any amount recovered pursuant to execution of such judgment. Any judgment in a foreign currency would be converted into Rupees on the date of such judgment and not on the date of payment and any such amount may be subject to income tax in accordance with applicable laws. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

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PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

CERTAIN CONVENTIONS

Unless otherwise specified or the context otherwise requires, all references to “India” contained in this Draft Letter of Offer are to the Republic of India and the “Government” or “GoI” or the “Central Government” or the “State Government” are to the Government of India, Central or State, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the “US” or “U.S.” or the “United States” are to the United States of America and its territories and possessions.

Unless otherwise specified, all references in this Draft Letter of Offer are in Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

FINANCIAL DATA

Unless stated or the context requires otherwise, our financial data included in this Draft Letter of Offer is derived from the Audited Financial Statements of our Company as of and for the financial year ended March 31, 2023 and Financial Results for the six months period ended September 30, 2023.

We have prepared our Audited Financial Statements of our Company as of and for the financial year ended March 31, 2023 and Unaudited Financial Results for the six months period ended September 30, 2023 in accordance with Indian Accounting Standard (Ind AS), Companies Act, and other applicable statutory and / or regulatory requirements. Our Company publishes its financial statements in Indian Rupees.

For details of the Audited Financial Statements for the financial year ended March 31, 2023 and the Unaudited Financial Results for the half year ended September 30, 2023, please refer to the section titled “*Financial Statements*” beginning on page 70 of this Draft Letter of Offer.

Our Company’s Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular Financial Year or Fiscal, unless stated otherwise, are to the 12 months period ending on March 31 of that particular calendar year.

In this Draft 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 AND UNITS OF PRESENTATION

All references to “Rupees” or “₹” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$”, “U.S. Dollar”, “USD” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

In this Draft Letter of Offer, our Company has presented certain numerical information. All figures have been expressed in “lakhs”. The amounts derived from financial statements included herein are represented in “lakhs”, as presented in the Consolidated Audited Financial Statements and the Unaudited Financial Results. One lakh represents 1,00,000 and one crore represents 1,00,00,000.

Except as otherwise set out in this Draft Letter of Offer, certain monetary thresholds have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry data used throughout this Draft Letter of Offer has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although our Company believes that industry data used in this Draft Letter of Offer is reliable, it has not been independently verified.

The industry data used in this Draft Letter of Offer has not been independently verified by our Company or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey.

The extent to which market and industry data used in this Draft Letter of Offer is meaningful depends on the reader's familiarity with and understanding of methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which our business is conducted, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 19 of this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

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FORWARD LOOKING STATEMENTS

Certain statements contained in this Draft Letter of Offer that are not statements of historical fact constitute “forward-looking statements”. Investors can generally identify forward-looking statements by terminology including anticipate, believe, continue, can, could, estimate, expect, future, forecast, intend, may, objective, plan, potential, project, pursue, shall, should, target, will, would or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements may include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Draft Letter of Offer that are not historical facts.

These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause our actual results, performances and achievements to differ materially from any of the forward-looking statements include, among others:

- Company’s ability to successfully implement our strategy, our growth and expansion, technological changes;
- Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
- Audience’s taste and behavior;
- Uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations;
- Inability to successfully obtain registrations in a timely manner or at all;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
- Our failure to keep pace with rapid changes in entertainment sector;
- Changes in laws and regulations relating to the industries in which we operate;
- Effect of lack of infrastructure facilities on our business;
- Intensified competition in industries/sector in which we operate;
- Our ability to attract, retain and manage qualified personnel;
- Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
- 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 ability to expand our geographical area of operation.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 19, 54 and 73 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views of our Company as at the date of this Draft Letter of Offer and are not a guarantee or assurance of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Accordingly, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. None of our Company, our Directors nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date of this Draft Letter of Offer or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI (ICDR) Regulations, our Company will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permission.

SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and it is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft 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 Draft Letter of Offer, including the sections titled “*Risk Factors*”, “*Objects of the Issue*”, “*Our Business*” and “*Outstanding Litigations, Defaults and Material Developments*” beginning on pages 19, 35, 54 and 80 of this Draft Letter of Offer, respectively.

SUMMARY OF OUR BUSINESS

Yug Decor Limited is a young and dynamic organization manufacturing different kind of adhesives – Synthetic Binders, Synthetic Rubber Adhesives, Synthetic Resin Adhesives, Natural Rubber Adhesives, Footwear Adhesives under the brand name of YUG-COL. The company is managed by Chandresh S. Saraswat who is having a vast experience of 34 years in production and marketing of adhesives and plywood industry goods.

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

Our presence in the business for more than 2 decades have aided us to create a brand image coupled with the industry experience we possess; our brand is well received by the market and we aim to continue to further strengthen our brand by supplying qualitative products at competitive prices across the globe.

For further details, please refer to the section titled “*Our Business*” beginning on page 54 beginning of this Draft Letter of Offer.

OBJECTS OF THE ISSUE

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

(₹ in Lacs)		
Sr. No.	Particulars	Amount
1.	To augment the existing and incremental working capital requirement of our company	Upto 500.00
2.	General Corporate Purposes [#]	●
	Total Net Proceeds*	●

[#]Subject to the finalization of the basis of Allotment and the allotment of the Rights Equity Shares. The amount utilized for general corporate purposes shall not exceed 25% of the Issue Proceeds.

*Assuming full subscription and Allotment of the Rights Equity Shares.

For further details, please refer to the section titled “*Objects of the Issue*” beginning on page 35 of this Draft Letter of Offer.

SUBSCRIPTION TO THE ISSUE BY OUR PROMOTER AND PROMOTER GROUP

The Promoters and Promoter Group of our Company through their letter dated January 31, 2024, have confirmed that they intend to subscribe in full extent of its Rights Entitlement in this Issue and that they will not renounce their Rights Entitlements.

Any such subscription for Rights Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding in the Company. The allotment of Equity Shares of the Company subscribed by the Promoters and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI (SAST) Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with the provisions of SEBI (SAST) Regulations. 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.

SUMMARY OF OUTSTANDING LITIGATIONS

Particular	Nature of Cases	No. of Outstanding cases	Penalty Amount Involved (Rs. in lacs)
Litigation against Company	Nil	Nil	Nil

Litigation Company	by	Criminal Proceedings	23	32,94,495
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For further details, please refer to section titled “*Outstanding Litigations and Defaults*” beginning on page 80 of this Draft Letter of Offer.

RISK FACTORS

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares, material litigations which impact the business of the Company and other economic factors, please refer to the section titled “*Risk Factors*” beginning on page 19 of this Draft Letter of Offer.

CONTINGENT LIABILITIES

For details of the contingent liabilities, as reported in the Financial Statements, please refer to the section titled “*Financial Statements*” beginning on page 70 of this Draft Letter of Offer.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as reported in the Financial Statements, please refer to the section titled “*Financial Statements*” beginning on page 70 of this Draft Letter of Offer.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Except Bonus Issue of Equity shares pursuant to ordinary resolution dated September 22, 2023, our Company has not issued Equity Shares for consideration other than cash during the last 1 (One) year immediately preceding the date of filing this Draft Letter of Offer.

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SECTION-II RISK FACTORS

An investment in equity involves a high degree of risk. Investors should carefully consider all the information in this Offer Document, including the risks and uncertainties described below, before making an investment in our equity shares. Any of the following risks as well as other risks and uncertainties discussed in this Offer Document could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment. In addition, the risks set out in this Offer Document may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

The Offer Document also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in the Offer Document.

Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

- Some events may not be material individually but may be found material collectively.
- Some events may have material impact qualitatively instead of quantitatively.
- Some events may not be material at present but may be having material impact in the future.

Note:

The risk factors are disclosed as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

In this Offer Document, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in "Risk Factors" and elsewhere in this Offer Document unless otherwise indicated, has been calculated on the basis of the amount disclosed in our financial statements prepared in accordance with Indian GAAP.

INTERNAL RISK FACTORS:

1. *Out of three manufacturing units two units are taken on Lease/Rental Basis and any termination of such lease/license and/or non-renewal could adversely affect our operations.*

At present, we have two manufacturing units for manufacturing various Water and Solvent Based Chemicals/Adhesives, Resin Solution and Rubber Adhesives, PVA Based Adhesive, PVA Based binder and Lai (Starch based solution), etc. Out of two manufacturing units, Unit No. II is taken on lease basis. Any termination of the lease agreement whether due to any breach of terms and conditions of Lease Agreement or non-renewal thereof, could temporarily disrupt our manufacturing activities and adversely affect the business operations and financial results of our Company.

2. *There are outstanding litigations by and against our Company which if determined against us, could adversely impact financial conditions.*

There are outstanding litigations by and against our Company. The details of this legal proceeding are given below in the following table:

Particular	Nature of Cases	No. of Outstanding cases	Penalty Amount Involved (Rs. in lacs)
Litigation against Company	Nil	Nil	Nil
Litigation by Company	Criminal Proceedings	23	32,94,495

For further details regarding outstanding litigations by and against companies please refer the chapter "Outstanding Litigations and Material Development" on page no. 80 of this DLOF.

3. **The Company is dependent on few of customers and suppliers for sales and purchase from top 10 customers and suppliers. Loss of any of these large customer and supplier will significantly affect our revenues and profitability.**

Our top ten customers contributes 31.90% and 38.28% of our total sales (including trading) and our top ten supplier delivered 57.72% and 56.59% of the total raw material purchased for the period ended September 30, 2023 and for the year ended March 31, 2023 respectively. The loss of any of these large customers or suppliers will significantly affect our revenue and profitability.

4. ***We have issued Equity Shares during the last one year at a price lower than the Issue Price. We have issued Equity Shares to promoter and public during the last 12 months preceding the date of this DLOF at a price lower than the Issue Price as detailed in the following table:***

Date of Allotment	No. of Equity Shares Allotted	Face Value	Issue Price	Consideration	Remarks
07/10/2023	9,38,197	10.00	Nil	Nil	Bonus Issue

5. ***We require Consent from Gujarat Pollution Control Board (GPCB), Gandhinagar under the Water (Prevention and Control of Pollution) Act-1974 for the Discharge of Trade Effluent & Emission due to operation of Industrial plant for manufacturing process of various types of chemicals and we are subject to inspection under the GPCB.***

At present our company has received consent from Gujarat Pollution Control Board which is valid upto December 27, 2021 and is required to be renewed subject to compliance of the conditions stated in the consent letter issued by the GPCB. Inspection proceedings are undertaken by the GPCB for our manufacturing plant at regular intervals for inspection for the Discharge of Trade Effluent & Emission and consent shall be lapsed automatically at any time if the board observed not proper discharge of trade effluent from our industrial plant as per the norms of GPCB mentioned in the consent letter. If any such action taken by GPCB against our Company which will affect our operations and may adversely affects financials positions of the Company.

6. ***There are no supply agreements for the major raw materials with our vendors/suppliers. Our Business may be adversely affected if there is any disruption in the raw material supply or due to non-availability of raw material.***

We do not have written agreements with our vendors/suppliers and operate on a purchase order system. Due to the absence of any formal contract with our vendors/suppliers, we are exposed to the risks of irregular supplies or no supplies at all and delayed supplies which would materially affect our results of operations. In the event of any disruption in the raw materials supply or the non-availability of raw material from alternate source, the production schedule may be adversely affected impacting the sales and profitability of the Company.

7. ***We do business with our customers on purchase order basis and do not have long term contracts with most of them.***

Our business is conducted on purchase order basis, depending on the requirements of the client preferences and demand. We do not have long term contracts with most of our customers and there can be no assurance that we will continue to receive repeat orders from any of them, including our longstanding customers. Further, even if we were to continue receiving orders from our clients, there can be no assurance that they will be on the same terms, and the new terms may be less favourable to us than those under the present terms.

8. ***Failure to manage our inventory could have an adverse effect on our net sales, profitability, cash flow and liquidity.***

The results of operations of our business are dependent on our ability to effectively manage our inventory and stocks. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and purchase new inventory accordingly. If our management has misjudged expected customer demand it could adversely impact the results by causing either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the inventory we manufacture or purchase, we may be required to write down our inventory or pay our suppliers without new purchases or create additional vendor financing, which could have an adverse impact on our income and cash flows.

9. ***We may not be successful in implementing our business strategies.***

The success of our business depends substantially on our ability to implement our business strategies effectively. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted clients. Changes in regulations

applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

10. Our clients can suspend or cancel delivery of our products at any time, without cause and with little or no notice or payment

Our Company has not entered into any written agreement with clients. Hence, the clients can terminate the delivery at any stage. Further, events of force majeure, such as disruptions of transportation services because of weather related problems, strikes, lock outs, inadequacies in road infrastructure, government actions or other events that are beyond the control of the parties, which allow our suppliers to suspend or cancel their deliveries of bought out items could impair our ability to source our products and our ability to supply. Similarly, our clients may suspend or cancel delivery of our products during a period of force majeure. The suspension, termination or cancellation of an order by our clients would reduce our revenues and may cause us to experience higher than expected number of unassigned employees and underutilisation of resources previously dedicated to those clients, thereby reducing our profit margin. We may not be able to replace any client that elects to terminate, which may adversely affect our business and income.

11. We have entered into related party transactions and may continue to do so in the future.

Our Company has entered into certain transactions with our related parties. While we believe that all have been conducted on the arms-length basis, there can be no assurance that we could not have been achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation.

For details on the transactions entered by us, please refer to “***Related Party Transactions***” beginning on page no. 70 of the DLOF.

12. Our operations are subject to various health and safety laws and regulations. Our failure to comply with environmental laws and similar regulations in India, including improper handling of raw materials and finished goods, may result in significant damages and may have an adverse effect our business, financial condition and results of operations.

We deal in various chemicals and adhesive which are highly inflammable products, to store / use such products in the manufacturing process is highly risky. We are required to obtain and renew certain Health and Safety permits from Directorate Industrial Safety and Health, Gujarat State which stipulates certain conditions and we are required to comply with the same. Any failure in compliance of conditions stipulated while issuing licenses/permits/certificate may lead to the cancellation of such registration and due to which our manufacturing activities could be adversely affected and consequently our business, financial conditions and results of operations will be affected adversely.

Further, we are subject to various environmental laws and regulations relating to environmental protection in local areas where our factory is situated. Stricter laws and regulations, or stricter interpretation of existing laws and regulations may impose new liabilities or require additional investment in environmental protection equipment, either of which could adversely affect our business, financial condition or results of operation. Our failure to comply any of the conditions stipulated while issuing licenses/permits/certificate may lead to cancellation of such registrations which could affect our production, business, financial conditions and results of operations.

13. Our success depends heavily upon our individual Promoters and Senior Management for their continuing services, strategic guidance and financial support.

Our success depends heavily upon the continuing services of promoter director Mr. Santosh Kumar Saraswat, Mr. Chandresh Saraswat and Director -Ms. Ankita Saraswat, who are the natural person in control of our Company. They currently serve as Emeritus Non-Executive Director, Chairman & Managing Director and Whole Time Director respectively, and their experience, strategic guidance, financial support and vision have played a key role in achieving our current market position. We would depend significantly on our Key Managerial Persons for continuing growth of our company. If our Managing Director and Executive Director or any member of the senior management team is unable or unwilling to continue in his present position, we may not be able to replace him easily or at all, and due to which our business, financial condition, results of operations and prospects may be materially and adversely affected.

14. Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business.

We are insured for a number of the risks associated with our businesses, such as insurance cover against loss or damage by fire, explosion, burglary, theft and robbery. We believe we have got our assets and goods adequately insured; however there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time, to cover all material losses. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business and results of operations could be adversely affected.

15. Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.

Modernisation and technology up gradation is essential to reduce costs and increase the output. Our technology and machineries may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may not have the competitive edge. Although we strive to keep our technology, equipment's and machinery in line with the latest technological standards, we may be required to implement new technology or upgrade the machineries and other equipment's installed by us. Further, the costs in upgrading our technology and modernizing the plant and machineries may be significant which could substantially affect our finances and operations.

16. We have not entered into any technical support service contract for the maintenance and smooth functioning of our equipment's and machineries, which may affect our performance.

Our manufacturing operations involve daily use of technical equipment's and machineries. They require periodic maintenance checks and technical support in an event of technical breakdown or malfunctioning. Our company has not entered into any technical support service contract with any competent third party. However, we have entered into an annual maintenance contract for few laboratory/electronic equipment's. Our failure to reduce the downtime in case such events occur may adversely affect our productivity, business and financial results of operations.

17. Volatility in the prices of raw materials, may adversely impact our total cost of goods sold and profitability of our company.

Our Company mainly purchases raw materials from various suppliers for our manufacturing operations. We are therefore, entirely dependent on external suppliers for the raw materials which constitutes a majority of the total cost of raw materials for our manufacturing operations. The prices of raw materials largely depends on the market conditions and overall demand of it, any increase in prices of raw material is generally passed on to our customers. However, any adverse fluctuations in the price which we may not be able to pass on to our customers could have a material adverse effect on our total cost of production. Further, any material shortage or interruption in the supply or decrease in quality of these raw materials could also adversely impact our business operations.

18. We have unsecured loans from promoters and promoter group, which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our business operations.

As per our Audited financial statements, as on March 31, 2023, we have unsecured loan of Rs. 36.29 Lakhs from Banks which are repayable in equated monthly installment.. Any demand from lenders for repayment of such unsecured loans, may adversely affect our liquidity and business operations. For further details of these unsecured loans, please refer to Auditors Report beginning on page 70 of the DLOF.

19. In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects of this Issue which would in turn affect our revenues and results of operations.

The funds that we receive would be utilized for the objects of the Issue as has been stated in the section ***"Objects of the Issue"*** on page no. 35 of the DLOF. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue this may affect our revenues and results of operations.

20. We have not identified any alternate source of raising the funds required for our „Objects of the Issue“. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.

Our Company has not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds may require us to borrow the funds on unfavourable terms, both of which scenarios may affect the business operation and financial performance of the company.

21. *Our business depends on our manufacturing facility and any loss of or shutdown of operations of the manufacturing facility on any grounds could adversely affect our business or results of operations.*

Our manufacturing facilities are subject to operating risks, such as breakdown or failure of equipment, interruption in power supply or processes, shortage of raw materials, performance below expected levels of output or efficiency, natural disasters, obsolescence, labour disputes, strikes, lockouts, severe weather, industrial accidents, our inability to respond to technological advances and emerging industry standards and practices in the industry and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results, and the loss or shutdown of operations at our manufacturing facility will have a material adverse effect on our business, financial condition and results of operations.

22. *There is no monitoring agency appointed by Our Company and the deployments of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee.*

As the issue size shall be less than ₹10,000 lacs, under Regulation 262 of the SEBI ICDR Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilization of funds raised through this Issue.

Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilization of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013.

Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoters shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same. For further details, please refer to the chapter titled “Objects of the Issue” on page 35 of this DLOF.

23. *We are highly dependent on smooth supply and transportation and timely delivery of our products from our manufacturing facilities to our customers. Various uncertainties and delays or non-delivery of our products will affect our sales.*

We depend on transportation services to deliver our products from our manufacturing facilities to our customers. We rely on third parties to provide such services. Disruptions of transportation services because of weather related problems, strikes, lock-outs, inadequacies in road infrastructure or other events could impair our procurement of raw materials and our ability to supply our products to our customers which in turn may adversely affect our business operations and our financial conditions.

24. *Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.*

Our future ability to pay dividends will depend on our earnings, financial condition and capital requirements. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. There can be no assurance that we will generate sufficient income to cover the operating expenses and pay dividends to the shareholders. Our ability to pay dividends will also depend on our expansion plans. We may be unable to pay dividends in the near or medium term, and the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition and results of operations.

25. *Our future funds requirements, in the form of issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.*

We may require additional capital from time to time depending on our business needs. Any issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

26. *Our success depends largely upon the services of our Directors, Promoters and other Key Managerial Personnel and our ability to attract and retain them. Demand for Key Managerial Personnel in the industry is intense and our inability to attract and retain Key Managerial Personnel may affect the operations of our Company.*

Our success is substantially dependent on the expertise and services of our Directors, Promoters and our Key Managerial Personnel (“KMP”). They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. Demand for KMP in the industry is

intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

27. *In addition to normal remuneration or benefits and reimbursement of expenses, some of our Directors and key managerial personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.*

Our Directors and Key Managerial Personnel (“KMP”) are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and KMP may also be interested to the extent of their shareholding and dividend entitlement in our Company. For further information, see “*Capital Structure*” and “*Our Management*” on pages 32 and 67, respectively, of this Draft Letter of Offer.

28. *Our Promoter and members of the Promoter Group will continue jointly to retain majority control over our Company after the Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.*

After completion of the Issue, our Promoters and Promoter Group will collectively own 69.48% of the Equity Shares. As a result, our Promoter together with the members of the Promoter Group will be able to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our AoA. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoter will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or minority shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

29. *We have taken guarantees from Promoters and members of Promoter Group in relation to debt facilities provided to us.*

We have taken guarantees from Promoters and members of Promoter Group in relation to our secured debt facilities availed from our Bankers. In an event any of these persons withdraw or terminate its/their guarantees, the lender for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition.

30. *We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.*

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation and goodwill of our Company. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

31. *Certain agreements may be inadequately stamped or may not have been registered as a result of which our operations may be adversely affected.*

Few of our agreements may not be stamped adequately or registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non-registration, in certain cases, is to make the document inadmissible in legal proceedings. Any potential dispute due to non-compliance of local laws relating to stamp duty and registration may adversely impact the operations of our Company.

EXTERNAL RISK FACTORS

- 1. *The novel coronavirus (Covid-19) pandemic outbreak and steps taken to control the same have significantly impacted our business, results of operations, financial condition and cash flows and further impact will depend on future developments, which are highly uncertain.***

The rapid and diffused spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses, including the real estate industry in which our Company operates and from where it derives substantial revenues and profits. The COVID-19 pandemic could continue to have an impact that may worsen for an unknown period of time. In view of the onslaught of the second wave of the virus and the likelihood of a third wave, this pandemic may continue to cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe.

Further if in case due to any third or consequent wave of Coronavirus or surge in new and deadly variants of the Virus, if another lockdown is imposed in the country and further restrictions are imposed by the government, we may face huge losses and our business operations could be severely impacted. Any such restrictions could cause delays in the completion of our Projects and commitments made to clients, or cause damage to the goods in transit. Any of these consequences may result in loss of business and/or claims for compensation from our clients, which may have an adverse effect on our results of operations and financial condition.

2. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

3. Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price And liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

4. Our 100% Revenue is not derived from business in India and a decrease in economic growth in India could cause our business to suffer.

We do not derive 100% of our revenue from our operations in India and, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

5. We are subject to risks arising from interest rate fluctuations, which could adversely impact our business, financial condition and operating results.

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may negatively impact our results of operations, planned capital expenditures and cash flows.

6. Foreign investors are subject to foreign investment restrictions under Indian law.

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 is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions, 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 or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

7. Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available.

This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

8. *The ability of Indian companies to raise foreign capital may be constrained by Indian law.*

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.

9. *Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.*

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

10. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.*

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance of our business. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence and spending. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

11. *The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.*

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy; disrupt the transportation of goods and supplies, and costs of doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

12. *Natural calamities could have a negative impact on the Indian economy and cause our business to suffer.*

India has experienced natural calamities such as earthquakes, tsunami, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

13. *Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.*

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well as the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

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SECTION III: INTRODUCTION

THE ISSUE

This Issue has been authorized by a resolution of our Board passed at its meeting held on January 12, 2024, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The terms and conditions of the Issue including the Rights Entitlement and Issue Price, have been approved by the Board of Directors in their meeting held on [●]. The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in “Terms of the Issue” beginning on page 92.

Equity Shares outstanding prior to the Issue	71,92,846 Equity Shares
Rights Equity Shares offered in the Issue	[●] Rights Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[●] Equity Shares
Rights Entitlement	[●] Equity Shares for every [●] Equity Shares held on the Record Date
Record Date	[●]
Face Value per Equity Share	₹10.00/- (Rupees Ten Only) each
Issue Price per Equity Share	₹ [●]/- (Rupees [●] Only) including a premium of ₹ [●]/- (Rupees [●] Only) per Rights Equity Share
Issue Size	Upto 5,00,00,000 (Rupees Five Crore Only)
Terms of the Issue	Please refer to the section titled “ <i>Terms of the Issue</i> ” beginning on page 92 of this Draft Letter of Offer
Use of Issue Proceeds	Please refer to the section titled “ <i>Objects of the Issue</i> ” beginning on page 35 of this Draft Letter of Offer
Security Code/ Scrip Details[#]	ISIN: INE796W01019 BSE Scrip Code: YUG ISIN for Rights Entitlements: [●]

[#]Our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, as may be required under applicable law.

For details in relation fractional entitlements, see “*Terms of the Issue - Fractional Entitlements*” on page 92.

Terms of payment

The full amount of the Issue Price being ₹ [●] (including the Premium of [●]) will be payable on application.

Due Date	Amount payable per Rights Equity Share (including premium)
On the Issue application (i.e. along with the Application Form)	₹ [●]/-

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GENERAL INFORMATION

Our Company was originally formed as a Private Limited Company in the name and style of "Yug Adhesive Private Limited" under the provision of the Companies Act, 1956 vide Certificate of Incorporation dated June 23, 2003 issued by the Asstt. Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Subsequently, the name of our Company was changed to Yug Decor Private Limited and a fresh Certificate of Incorporation dated December 7, 2004 pursuant to change of name was issued by Registrar of Companies, Gujarat. Consequent upon the conversion of our Company to public limited company, the name of our Company was changed to Yug Decor Limited and fresh Certificate of Incorporation dated September 14, 2016 was issued by the Deputy RoC, Registrar of Companies, RoC-Ahmedabad. The Corporate Identification Number of our Company was U24295GJ2003PLC042531. The equity shares of our Company were listed on SME platform of BSE Limited on May 31, 2017. The Scrip symbol 'YUG', Scrip Code '540550', ISIN 'INE796W01019' and CIN 'L24295GJ2003PLC042531'. The Registered office of our company was shifted to 709-714, Sakar- V, B/H Natraj Cinema, Ashram Road, Ahmedabad, Gujarat, India, 380009 vide Board Resolution dated February 12, 2018. For further Details of our Company, please refer to section titled "**General Information**" beginning on page 28 of this Draft Letter of Offer.

REGISTERED OFFICE OF OUR COMPANY

YUG DECOR LIMITED

709-714, Sakar- V, B/H Natraj Cinema,
Ashram Road, Ahmedabad, Gujarat,
India, 380009

Tel: +91-9375202777

Email: account@yugdecor.com

Website: www.yugdecor.com

CIN: L24295GJ2003PLC042531

Registration Number: 042531

Details of Changes in the Registered Office:

The Registered office of our company was shifted from 1011, Sakar-Y b/h Natraj Cinema Ashram Road, Ahmedabad- 380 009 Gujarat India to 709-714, Sakar- V, B/H Natraj Cinema, Ashram Road, Ahmedabad, Gujarat, India, 380009 vide Board Resolution dated February 12, 2018.

ADDRESS OF THE REGISTRAR OF COMPANIES

REGISTRAR OF COMPANIES, GUJARAT

ROC Bhavan, Opp. Rupal Park Society,
Behind Ankur Bus Stop, Naranpura,
Ahmedabad-380013, Gujarat, India.

Tel: 079-27437597

Fax: 079-27438371

Email: roc.ahmedabad@mca.gov.in

Website: www.mca.gov.in

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mrs. Nidhi Devesh Bhatt

709-714, Sakar- V, B/H Natraj Cinema,
Ashram Road, Ahmedabad, Gujarat,
India, 380009

Tel: +91-9375202777

Email: cs@yugdecor.com

Website: www.yugdecor.com

STATUTORY AUDITORS OF OUR COMPANY

Pankaj K Shah Associates,

Chartered Accountants

305-306, Addor Ambition, Besides vimal House, Near Lakhudi Circle, Navrangpura,
Ahmedabad-380 014, Gujarat, India.

Tel No: +91 9104949671
Email: pshar2908@gmail.com
Contact Person: Pankaj K. Shah
Membership No.: 034603
Firm Registration No.: 107352W
Peer Review No.: 014647

REGISTRAR TO THE ISSUE

SATELLITE CORPORATE SERVICES PRIVATE LIMITED

A/106-107, Dattani Plaza, East West Industrial Compound, Andheri Kurla Road, Safed Pool, Sakinaka, Mumbai-400072, Mumbai – 400 072.

Tel: 022-28520467/ 462

SEBI REGN NO: INR000003639

Email Id: service@satellitecorporate.com/info@satellitecorporate.com;

Website: www.satellitecorporate.com

Contact Person: Mr. Michael Monteiro

SEBI Registration No: INR000003639

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process with a copy to the SCSBs (in case of ASBA process), 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 Rights Equity Shares applied for, amount blocked (in case of ASBA process), 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 (in case of ASBA process)). For details on the ASBA process, see section titled “*Terms of the Issue*” beginning on page 92 of this Draft Letter of Offer.

BANKERS TO THE ISSUE / REFUND BANK

[•]

BANKERS TO THE COMPANY

INDIAN BANK (Erstwhile ALLAHABAD BANK)

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

ADVISOR TO THE ISSUE

GYR Capital Advisors Private Limited

428, Gala Empire, Near JB Tower, Drive in Road, Thaltej,
Ahemdabad-380 054, Gujarat, India.

Telephone: +91 8777564648

E-mail id: info@gyrcapitaladvisors.com

Website: www.gyrcapitaladvisors.com

Investor Grievance e-mail ID: investors@gyrcapitaladvisors.com

Contact Person: Mohit Baid

SEBI Registration Number: INM000012810

CIN: U67200GJ2017PTC096908

INTER-SE ALLOCATION OF RESPONSIBILITIES BETWEEN MERCHANT BANKERS

The Company has not appointed any Merchant Banker as the Issue size is less than ₹5,000 Lakh and hence there is no inter-se allocation of responsibilities.

EXPERT

Except for the reports of the Auditor of our Company on the audited Financial Statements and Statement of Tax Benefits, included in this Draft Letter of Offer, our Company has not obtained any expert opinions.

SELF-CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process is provided on <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. Details relating to Designated Branches of SCSBs collecting the ASBA application forms are available at 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	[●]
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights Entitlements#	[●]
Issue Closing Date*	[●]
Finalization of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

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 Renounees 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.

Please note that if Eligible Equity Shareholders holding Equity Shares who have not provided the details of their demat accounts to our Company or to the Registrar to the Issue, they are required to provide their demat account details to our Company or the Registrar to the Offer not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., [●] 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., [●].

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. For details on submitting Application Forms, please refer to the section titled “*Terms of the Issue*” beginning on page 92 of this Draft Letter of Offer.

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 to the Issue at www.satellitecorporate.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 92 of this Draft Letter of Offer.

Please note that if no Application is made by the Eligible Equity Shareholders 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 premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under this Issue.

CREDIT RATING

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

DEBENTURE TRUSTEE

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

MONITORING AGENCY

Since the Issue size does not exceed ₹ 100 crore, there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI (ICDR) Regulations.

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.

FILING

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores.

As per requirements of SEBI ICDR Regulations as the issue size of this rights issue is below ₹5,000 Lakh, therefore this Letter of Offer has been filed with the BSE. On receipt of the in-principle approval from BSE, the final Letter of Offer will be filed with Stock Exchange and will be submitted to SEBI for information and dissemination purpose as per the provisions of the SEBI ICDR Regulations.

MINIMUM SUBSCRIPTION

Out of our Promoter and Promoter Group, their letters dated January 31, 2024, have given their confirmation regarding their intention to subscribe to this Rights Issue jointly and / or severally. However, the other promoters and members of the promoter group have not given their assent/dissent regarding their intention to subscribe in this issue. The extent of renouncement, if any, shall be finalized before the filing of Letter of Offer with Stock Exchange. In the event the Promoter decides to renounce its Right Entitlement in the favour of third party, minimum subscription criteria provided under regulation 86(1) of the SEBI ICDR Regulations shall apply.

In accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under “*Terms of the Issue*” on page 92 of this Draft Letter of Offer.

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CAPITAL STRUCTURE

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

(In ₹ lakhs, except share data)

Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
Authorized Equity Share capital		
1,10,00,000 (One Crore Ten Lacs Only) Equity Shares of Rs. 10 each	1,100.00	-
Issued, subscribed and paid-up Equity Share capital before this Issue		
71,92,846 (Seventy One Lacs Ninety Two Thousand Eight Hundred and Forty-Six Only) Equity Shares of Rs.10 each	71.92	-
Present Issue in terms of this Draft Letter of Offer ^{(1) (2) (3)}		
[●] ([●] Thousand) Issue of Equity Shares, each at a premium of ₹ [●]/- (Rupees [●] Only) per Equity Share, at an Issue Price of ₹ [●]/- (Rupees [●]) per Equity Share	[●]	[●]
Issued, subscribed and paid-up Equity Share capital after the Issue		
[●] ([●]) Equity Shares of Rs.10 each.		[●]
Subscribed and paid-up Equity Share capital		
[●] ([●]) fully paid-up Equity Shares		[●]
Securities premium account		
Before the Issue (as on September 30, 2023)		Nil
After the Issue		[●]

Notes: -

1. This Issue has been authorized by a resolution of our Board passed at its meeting held on January 12, 2024 pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.
2. The terms and conditions of the Issue including the Rights Entitlement and Issue Price, have been approved by the Board of Directors in their meeting held on [●].
3. The Directors in their meeting held on [●] and [●] have approved the Record Date and the Issue Schedule, respectively.
4. Assuming full subscription for and Allotment of the Rights Equity Shares.
5. Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses.

NOTES TO CAPITAL STRUCTURE

1. **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.

2. **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.**

The details of the Equity Shares held by our Promoters and members of our Promoter Group, including details of Equity Shares which are locked-in, pledged or encumbered can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/yug-decor-ltd/yug/540550/shareholding-pattern/>

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

Our promoters and promoter group does not acquire Equity Shares in the last one year prior to the filing of this Draft Letter of Offer

Particulars	Date	Number of Shares	% of Shares	Price	Value
Chandresh S. Saraswat					
Inter-se transfer via HUF partition	03-08-2023	93,360	1.30	Nil	Nil
Bonus Issue	07-10-2023	2,26,415	3.15	Nil	Nil
Total	-	3,19,775	4.45	Nil	Nil
Chandresh Saraswat HUF					
Bonus Issue	07-10-2023	52,107	0.72	Nil	Nil
Total	-	52,107	0.72	Nil	Nil
Santosh Kumar Saraswat					
Inter-se transfer via HUF partition	03-08-2023	93,360	1.30	Nil	Nil
Bonus Issue	07-10-2023	1,04,544	1.45	Nil	Nil
Total	-	1,97,904	2.75	Nil	Nil
Nisha Saraswat					
Bonus Issue	07-10-2023	71,842	0.99	Nil	Nil
Total		71,842	0.99	Nil	Nil
Abha Santosh Kumar Saraswat					
Inter-se transfer via HUF partition	03-08-2023	93,360	1.30	Nil	Nil
Bonus Issue	07-10-2023	1,18,284	1.64	Nil	Nil
Total		2,11,644	2.94	Nil	Nil
Ankita Saraswat					
Bonus Issue	07-10-2023	34,125	0.47	Nil	Nil
Total		34,125	0.47	Nil	Nil
Pooja Saraswat					
Inter-se transfer via HUF partition	03-08-2023	93,360	1.30	Nil	Nil
Bonus Issue	07-10-2023	43,854	0.61	Nil	Nil
Total		1,37,214	1.91	Nil	Nil
Suresh Saraswat					
Bonus Issue	07-10-2023	675	0.01	Nil	Nil
Total		675	0.01	Nil	Nil

4. Intention and participation by the promoter and promoter group

Out of our Promoter and Promoter Group, their letter dated January 31, 2024, have given their confirmation regarding their intention to subscribe to this Rights Issue jointly and / or severally. However, the other promoters and members of the promoter group have not given their assent/dissent regarding their intention to subscribe in this issue. In the event the Promoter decides to renounce its Right Entitlement in the favour of third party, minimum subscription criteria provided under regulation 86(1) of the SEBI ICDR Regulations shall apply.

In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with the SEBI circular bearing reference number d7 dated March 31, 2021. If there is a delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates as prescribed under the applicable laws.

No person connected with this Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an application in this Issue, except for fees or commission for services rendered in relation to the Issue.

5. The ex-rights price of the Equity Shares as per Regulation 10(4)(b) of SEBI SAST Regulations is ₹ [●]/-.

6. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares outstanding as on the date of this Letter of Offer. The Rights Equity Shares, when issued, shall be fully paid-up. For details on the terms of this Issue, see “Terms of the Issue” on page 92.

7. At any given time, there shall be only one denomination of the Equity Shares.

8. **Shareholding Pattern of our company**

The details of the shareholding pattern of our Company as on October 07, 2023 can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/yug-decor-ltd/yug/540550/shareholding-pattern/>

The details of shareholders of our Company holding 1% or more of the paid-up capital as on October 07, 2023 can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/yug-decor-ltd/yug/540550/shareholding-pattern/>.

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OBJECTS OF THE ISSUE

Our Company proposes to utilize the Net Proceeds to:

1. To augment the existing and incremental working capital requirement of our company; and
2. General Corporate Purposes

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 our Memorandum of Association.

ISSUE PROCEEDS

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

Particulars	Amount
Gross Proceeds from the Issue [#]	Upto 500.00
Less: Estimated Issue related Expenses	[●]
Net Proceeds from the Issue*	[●]

[#] Assuming full subscription and Allotment;

^{*} The Issue size will not exceed ₹ 500.00 Lakh. If there is any reduction in the amount on account of or at the time of finalization of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.

REQUIREMENT OF FUNDS AND UTILISATION OF NET PROCEEDS

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

Sr. No.	Particulars	Amount
1.	To augment the existing and incremental working capital requirement of our company	[●]
2.	General Corporate Purposes [#]	[●]
	Total Net Proceeds*	[●]

[#] The amount to be utilized for General corporate purposes will not exceed 25.00% of the Gross Proceeds;

^{*} To be determined on finalization of the Issue Price and updated in the Letter of Offer at the time of filing with the BSE.

UTILIZATION OF NET PROCEEDS AND SCHEDULE OF IMPLEMENTATION

We propose to deploy the Net Proceeds towards the aforesaid objects in accordance with the estimated schedule of implementation and deployment of funds is set forth in the table below:

Sr. No.	Particulars	Amount to be deployed from Net Proceeds	Estimated deployment of Net Proceeds for the Financial Year ending March 31, 2024	Estimated deployment of Net Proceeds for the Financial Year ending March 31, 2025
1.	To augment the existing and incremental working capital requirement of our company	Upto 500	-	Upto 500
2.	General Corporate Purposes [#]	[●]	-	[●]
	Total Net Proceeds*	[●]	-	[●]

The above fund requirements are based on our current business plan, management estimates and have not been appraised by any bank or financial institution. Our Company's funding requirements and deployment schedule are subject to revision in the future at the discretion of our Board and will not be subject to monitoring by any independent agency. In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our funding requirements may also change. Our historical funding requirements may not be reflective of our future funding plans. We may have to revise our funding requirements, and deployment from time to time on account of various factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. Further, in case the Net Proceeds are not completely utilized in a scheduled

Fiscal Year due to any reason, the same would be utilised (in part or full) in the next Fiscal Year/ subsequent period as may be determined by our Company, in accordance with applicable law. For further details, please see the section titled “Risk Factors” beginning on page 19 of this Draft Letter of Offer.

In case of any increase in the actual utilisation of funds earmarked for any of the Objects of the Issue or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met through means available to us, including by way of incremental debt and/or internal accruals. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for future growth opportunities including funding other existing Objects, if required and will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purpose will not exceed 25% of the Gross Proceeds from the Issue in accordance with applicable law.

MEANS OF FINANCE

The funding requirements mentioned above are based on our Company’s internal management estimates and have not been appraised by any bank, financial institution, or any other external agency. They are based on current circumstances of our business and our Company may have to revise these estimates from time to time on account of numerous factors beyond our control, such as market conditions, competitive environment, costs of commodities or interest rate fluctuations. We intend to finance the abovementioned objects from the Net Proceeds. Accordingly, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue or through existing identifiable internal accruals in terms of the provisions of Regulation 62(1)(c) of the SEBI ICDR Regulations.

DETAILS OF THE OBJECTS OF THE ISSUE

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

1. To augment the existing and incremental working capital requirement of our company

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 Working Capital Requirement (on a standalone basis), is as under:

(₹ in Lakhs)				
Particulars	March 31, 2023 (Audited)	September 30, 2023 (Unaudited)	March 31, 2024 (Projected)	March 31, 2025 (Projected)
<u>Current Assets</u>				
Inventories	145.24	198.03	228.00	255.00
Trade Receivables	1,125.78	1,187.74	1,300.00	1,516.00
Cash and Cash Equivalents	1.57	1.10	3.00	3.00
Short-term loans and advances	30.22	8.35	35.00	35.00
Other Current Assets	-	-	-	-
Total Current Assets (1)	1,302.81	1,395.22	1,566.00	1,809.00
<u>Current Liabilities</u>				
Short Term Borrowings	125.51	182.82	250.00	250.00
Trade Payables	457.86	466.92	402.00	428.00
Other Current Liabilities	54.49	54.26	55.00	55.00
Short Term Provision	16.72	5.46	5.00	5.00
Total Current Liabilities (2)	654.58	709.46	712.00	738.00
Total Working Capital (1-2)	648.23	685.76	854.00	1,071.00

Source of Working Capital				
Short Term Borrowings	125.50	182.82	250.00	250.00
Internal Accruals	522.73	502.94	604.00	[●]
Issue Proceeds	-	-	-	[●]

Details of Basis of Estimation for holding period levels are as following:

Particulars	March 31, 2023	September 30, 2023	March 31, 2024	March 31, 2025
No. of Days for Inventory	22	40	33	33
No. of Days for Trade Receivables	130	153	150	150
No. of Days for Trade Payable	80	89	74	74

Justification for holding period levels

On the basis on the internal estimates, existing working capital requirements and the projected working capital requirements and key assumptions with respect to the determination of the same; the Issuer Company would require total working capital to the extent of Rs. [●] Lakhs for the March 31, 2025.

The estimated and projected working capital requirements and the assumption underlying the justification for periods of holding levels for March 31, 2024 and March 31, 2025 are as set out in the table below:

The Board of Directors of the Issuer Company pursuant to their resolution dated 10.02.2024, has certified and approve the estimated working capital requirements and the assumption underlying the justification for periods of holding levels for March 31, 2024 and March, 2025.

The working capital projections made by our Company are based on certain key assumptions, as set out below:

Current Assets	
Inventories	In Fiscal Year 2023, the inventory holding period was 22 days. The holding period has increased from one year to the next, which suggests that the company is planning to maintain higher stock levels upto Rs. 235 lakhs in FY 2023-24 and Rs.255 Lakhs in FY 2024-25 in order to fulfil demand obligations towards its customers.
Trade receivables	In Fiscal Year 2023, Efficient collections and robust credit policies-maintained trade receivable holding at 130 days. To grab the market opportunities in relation to the existing competition, the management is planning to increase the credit period to enhance the revenue. These measures respond to market share acquisition to some extent, aiming for a balanced approach between ensuring healthy cash flows and maintaining positive customer relations
Cash and Bank Balance	The management is expecting the need to increase in cash and bank balance due to due to increase in volume of transactions.
Short Term Loans and advances	In order to meet timely supply raw material and maintain favourable relations with the suppliers, the management is expecting a slight increase in Short Term Loans and Advances.
Current Liabilities	
Trade Payables	In Fiscal Year 23, the trade payable ratio was 80 days. The projected trade payable ratio for Fiscal Year 24-25 is estimated at 74 days, indicating that the company is expecting to pay it's trade payable on early basis to avail rate based incentive or discounts on purchases of raw material. An effort to optimize payable cycles while maintaining strong supplier relationships and effective cash management.
Other Current Liabilities & Short-Term Provision	The management is expecting a healthy cash flow due to increase in volume of transactions. Hence, management has kept the slight lower as compared with Fiscal Year 23.

The Issuer Company proposes to utilize Rs. [●] Lakhs of the Net Proceeds upto March 31, 2025, towards its working capital requirements for meeting their future business requirements.

2. General Corporate Purpose

The remaining Net Proceeds, if any, shall be utilized towards general corporate purposes and the amount to be utilized for general corporate purposes shall not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds. Such utilization towards general corporate purposes shall be to drive our business growth, including, amongst other things including but not limited to funding our growth opportunities, strengthening marketing capabilities and brand building exercises, and strategic initiatives and any other purpose as permitted by applicable laws; subject to meeting regulatory requirements and obtaining necessary approvals/ consents, as applicable.

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.

EXPENSES FOR THE ISSUE

The Issue related expenses consist of fees payable to the Legal Advisor to the issue, 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 Equity Shares on the Stock Exchange. Our Company will need approximately ₹ [●]/- towards these expenses, a break-up of the same is as follows:

(₹ in Lakhs)

Activity	Estimated Expense	% of Estimated Issue Size Expenses	% of Estimated Issue Size
Fee to professional service providers and statutory fee and Registrar to the Issue	[●]	[●]	[●]
Fees payable to regulators, including depositories, Stock Exchanges and SEBI	[●]	[●]	[●]
Statutory Advertising, Marketing, Printing and Distribution	[●]	[●]	[●]
Other expenses (including miscellaneous expenses and stamp duty)	[●]	[●]	[●]
Total estimated Issue expenses*	[●]	[●]	[●]

* Subject to finalization of Basis of Allotment and actual Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes.

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.

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.

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.

OTHER CONFIRMATIONS

Except as disclosed above, there are no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoters, 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 Promoters, 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 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 SPECIAL TAX BENEFITS

To,

The Board of Directors
Yug Decor Limited
Ahmedabad

Dear Sir(s),

Sub: Statement of possible special tax benefits available to Yug Decor Limited (“the Company”) and its shareholders under direct and indirect tax laws

We refer to the proposed issue of equity shares of **Yug Decor Limited** (“the Company”). We enclose herewith the annexure showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the 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 State Goods and Services Tax Act as passed by respective State Governments from where the Company operates and applicable to the Company, Customs Act, 1962 and Foreign Trade Policy 2015-2020, as amended by the Finance Act, 2022, i.e., applicable for the Financial Year 2023-24 relevant to the assessment year 2023-24, presently in force in India for inclusion in the Draft Letter Of Offer (“LOO”) for the proposed Right Issue of equity shares (Fully paid up), as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”).

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Income-tax Act 1961. Hence, the ability of the Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is 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 their own tax consultant with respect to the specific tax implications arising out of their participation in the Right Issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

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

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

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the DP for the proposed Right Issue of equity shares which the Company intends to submit to the Securities and Exchange Board of India and National Stock Exchange of India Limited provided that the below statement of limitation is included in the offer document.

LIMITATIONS

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the existing tax laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.

This statement has been prepared solely in connection with the offering of Equity shares by the Company under the Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the Issue).

Your sincerely,

FOR Pankaj K. Shah Associates
[Firm Registration No._107352W]
Chartered Accountants

Sd/-

Partner
Mem. No. 034603
UDIN: 24034603BKBSSB5865

Place: Ahmedabad

Date: 31.01.2024

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ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Direct Taxation

Outlined below are the special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 (‘the Act’), as amended by Finance Act, 2023 i.e., applicable for Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India

A. SPECIAL TAX BENEFITS TO THE COMPANY

Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of tax of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribedmanner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax would not be applicable and earlier year MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has represented to us that it has opted section 115BAA for the assessment year 2020-21, 2021-22, 2022-23, 2023-24 and will also opt for the section 115BAA for the assessment year 2024-25 as well.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS

The Shareholders of the Company are not entitled to any special tax benefits under the Act.

Indirect Taxation

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods andServices Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017 read with Rules, Circulars, and Notifications (“GST law”), the Customs Act, 1962, Customs Tariff Act, 1975 (“Customs law”) and Foreign Trade Policy 2015-2020(“FTP”) (collectively referred as “Indirect Tax”).

A. SPECIAL TAX BENEFITS TO THE COMPANY

There are no special tax benefits available to the Company under GST law.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS

The Shareholders of the Company are not entitled to any special tax benefits under the Indirect Tax.

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SECTION IV: ABOUT THE COMPANY

INDUSTRY OVERVIEW

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the Issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information, our company does not take report from any agency about industry overview hence no such report are available in material Documents.

GLOBAL OUTLOOK

The global economy remains in a precarious state amid the protracted effects of the overlapping negative shocks of the pandemic, the Russian Federation's invasion of Ukraine, and the sharp tightening of monetary policy to contain high inflation. Global growth is projected to slow significantly in the second half of this year, with weakness continuing in 2024. Inflation pressures persist, and tight monetary policy is expected to weigh substantially on activity. Recent banking sector stress in advanced economies will also likely dampen activity through more restrictive credit conditions. The possibility of more widespread bank turmoil and tighter monetary policy could result in even weaker global growth. Rising borrowing costs in advanced economies could lead to financial dislocations in the more vulnerable emerging market and developing economies (EMDEs). In low-income countries, in particular, fiscal positions are increasingly precarious. Comprehensive policy action is needed at the global and national levels to foster macroeconomic and financial stability. Among many EMDEs, and especially in low-income countries, bolstering fiscal sustainability will require generating higher revenues, making spending more efficient, and improving debt management practices. Continued international cooperation is also necessary to tackle climate change, support populations affected by crises and hunger, and provide debt relief where needed. In the longer term, reversing a projected decline in EMDE potential growth will require reforms to bolster physical and human capital and labor-supply growth.

After growing 3.1 percent last year, the global economy is set to slow substantially in 2023, to 2.1 percent, amid continued monetary policy tightening to rein in high inflation, before a tepid recovery in 2024, to 2.4 percent. Tight global financial conditions and subdued external demand are expected to weigh on growth across emerging market and developing economies (EMDEs). Projections for many countries have been revised down over the forecast horizon, with upgrades primarily due to stronger-than-expected data at the beginning of 2023 more than offset by downgrades thereafter. Inflation has been persistent but is projected to decline gradually as demand weakens and commodity prices moderate, provided longer-term inflation expectations remain anchored.

Global growth could be weaker than anticipated in the event of more widespread banking sector stress, or if more persistent inflation pressures prompt tighter-than-expected monetary policy. Weak growth prospects and heightened risks in the near term compound a long-term slowdown in potential growth, which has been exacerbated by the overlapping shocks of the pandemic, the Russian Federation's invasion of Ukraine, and the sharp tightening of global financial conditions. This difficult context highlights a multitude of policy challenges. Recent bank failures call for a renewed focus on global financial regulatory reform. Global cooperation is also necessary to accelerate the clean energy transition, mitigate climate change, and provide debt relief for the rising number of countries experiencing debt distress. At the national level, it is imperative to implement credible policies to contain inflation and ensure macroeconomic and financial stability, as well as undertake reforms to set the foundations for a robust, sustainable, and inclusive development path.

Global financial conditions have tightened as a result of policy rate hikes and, to a lesser extent, recent bouts of financial instability. Many banks experienced substantial unrealized losses due to the sharp rise in policy interest rates. Concerns about the viability of balance sheets of some banks led to depositor flight and market volatility in the United States and Europe earlier in the year, which were stemmed by a swift and extensive policy response. Financial markets remain highly sensitive to evolving expectations about the future path of interest rates of major central banks. Spillovers from banking turmoil in advanced economies to EMDEs have so far been limited. However, countries with more pronounced macroeconomic policy vulnerabilities, as reflected by lower credit ratings, have experienced slower growth and greater financial stress, including large currency depreciations and a sharp widening of sovereign spreads. Projections for 2023 growth in these economies have fallen by more than half over the past year
Source: World Bank.

Note: e = estimate (actual data for commodity prices); f = forecast. WBG = World Bank Group. World Bank forecasts are frequently updated based on new information. Consequently, projections presented here may differ from those contained in other World Bank documents, even if basic assessments of countries' prospects do not differ at any given date. For the definition of EMDEs, developing

TABLE 1.1 Real GDP¹

(Percent change from previous year unless indicated otherwise)

	2020	2021	2022e	2023f	2024f	2025f	Percentage point differences from January 2023 projections	
							2023f	2024f
World	-3.1	6.0	3.1	2.1	2.4	3.0	0.4	-0.3
Advanced economies	-4.3	5.4	2.6	0.7	1.2	2.2	0.2	-0.4
United States	-2.8	5.9	2.1	1.1	0.8	2.3	0.6	-0.8
Euro area	-6.1	5.4	3.5	0.4	1.3	2.3	0.4	-0.3
Japan	-4.3	2.2	1.0	0.8	0.7	0.6	-0.2	0.0
Emerging market and developing economies	-1.5	6.9	3.7	4.0	3.9	4.0	0.6	-0.2
East Asia and Pacific	1.2	7.5	3.5	5.5	4.6	4.5	1.2	-0.3
China	2.2	8.4	3.0	5.6	4.6	4.4	1.3	-0.4
Indonesia	-2.1	3.7	5.3	4.9	4.9	5.0	0.1	0.0
Thailand	-6.1	1.5	2.6	3.9	3.6	3.4	0.3	-0.1
Europe and Central Asia	-1.7	7.1	1.2	1.4	2.7	2.7	1.3	-0.1
Russian Federation	-2.7	5.6	-2.1	-0.2	1.2	0.8	3.1	-0.4
Türkiye	1.9	11.4	5.6	3.2	4.3	4.1	0.5	0.3
Poland	-2.0	6.9	5.1	0.7	2.6	3.2	0.0	0.4
Latin America and the Caribbean	-6.2	6.9	3.7	1.5	2.0	2.6	0.2	-0.4
Brazil	-3.3	5.0	2.9	1.2	1.4	2.4	0.4	-0.6
Mexico	-8.0	4.7	3.0	2.5	1.9	2.0	1.6	-0.4
Argentina	-9.9	10.4	5.2	-2.0	2.3	2.0	-4.0	0.3
Middle East and North Africa	-3.8	3.8	5.9	2.2	3.3	3.0	-1.3	0.6
Saudi Arabia	-4.3	3.9	8.7	2.2	3.3	2.5	-1.5	1.0
Iran, Islamic Rep. ²	1.9	4.7	2.9	2.2	2.0	1.9	0.0	0.1
Egypt, Arab Rep. ²	3.6	3.3	6.6	4.0	4.0	4.7	-0.5	-0.8
South Asia	-4.1	8.3	6.0	5.9	5.1	6.4	0.4	-0.7
India ²	-5.8	9.1	7.2	6.3	6.4	6.5	-0.3	0.3
Pakistan ²	-0.9	5.8	6.1	0.4	2.0	3.0	-1.6	-1.2
Bangladesh ²	3.4	6.9	7.1	5.2	6.2	6.4	0.0	0.0
Sub-Saharan Africa	-2.0	4.4	3.7	3.2	3.9	4.0	-0.4	0.0
Nigeria	-1.8	3.6	3.3	2.8	3.0	3.1	-0.1	0.1
South Africa	-6.3	4.9	2.0	0.3	1.5	1.6	-1.1	-0.3
Angola	-5.6	1.1	3.5	2.6	3.3	3.1	-0.2	0.4
Memorandum items:								
Real GDP¹								
High-income countries	-4.3	5.4	2.8	0.8	1.3	2.3	0.2	-0.3
Middle-income countries	-1.2	7.1	3.4	4.2	4.0	4.1	0.8	-0.3
Low-income countries	1.4	4.2	4.8	5.1	5.9	5.9	0.1	0.3
EMDEs excluding China	-3.8	5.9	4.1	2.9	3.4	3.8	0.2	-0.2
Commodity-exporting EMDEs	-3.7	5.1	3.2	1.9	2.8	2.9	0.0	0.0
Commodity-importing EMDEs	-0.3	7.9	3.9	5.0	4.4	4.5	0.9	-0.4
Commodity-importing EMDEs excluding China	-4.0	7.0	5.3	4.2	4.2	4.8	0.4	-0.3
EM7	-0.4	7.7	3.3	4.7	4.1	4.2	1.2	-0.4
World (PPP weights) ³	-2.8	6.3	3.3	2.7	2.9	3.4	0.5	-0.3
World trade volume⁴	-7.8	11.0	6.0	1.7	2.8	3.0	0.1	-0.6
Commodity prices⁵							Level differences from January 2023 projections	
WBG commodity price index	63.1	101.0	143.3	110.1	109.2	110.5	-14.9	-7.3
Energy index	52.7	95.4	152.6	108.9	109.1	111.0	-21.6	-9.2
Oil (US\$ per barrel)	42.3	70.4	99.8	80.0	82.0	84.4	-8.0	2.0
Non-energy index	84.1	112.5	124.4	112.5	109.5	109.5	-1.2	-3.5

countries, commodity exporters, and commodity importers, please refer to table 1.2. EM7 includes Brazil, China, India, Indonesia, Mexico, the Russian Federation, and Türkiye. The World Bank is currently not publishing economic output, income, or growth data for Turkmenistan and República Bolivariana de Venezuela owing to lack of reliable data of adequate quality. Turkmenistan and República Bolivariana de Venezuela are excluded from cross-country macroeconomic aggregates.

1. Headline aggregate growth rates are calculated using GDP weights at average 2010-19 prices and market exchange rates.
2. GDP growth rates are on a fiscal year basis. Aggregates that include these countries are calculated using data compiled on a calendar year basis. For India and the Islamic Republic of Iran, the column labeled 2022 refers to FY2022/23. For Bangladesh, the Arab Republic of Egypt, and Pakistan, the column labeled 2022 refers to FY2021/22. Pakistan's growth rates are based on GDP at factor cost.
3. World growth rates are calculated using average 2010-19 purchasing power parity (PPP) weights, which attribute a greater share of global GDP to emerging market and developing economies (EMDEs) than market exchange rates.
4. World trade volume of goods and nonfactor services.
5. Indexes are expressed in nominal U.S. dollars (2010 = 100). Oil refers to the Brent crude oil benchmark. For weights and composition of indexes, see <https://worldbank.org/commodities>.

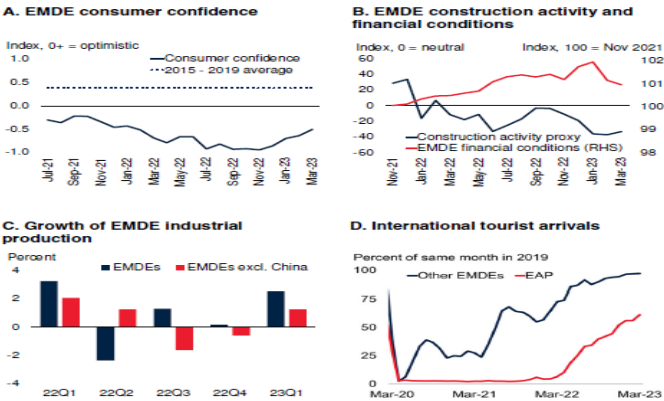
(Source: *Global Economic Prospects*, June 2023)

Emerging market and developing economies

EMDE growth is expected to pick up in 2023 almost entirely due to China's economic reopening. Excluding China, growth in EMDEs is set to slow markedly. A protracted period of tight domestic monetary policy, fiscal consolidation, and weak external demand will curb growth in many EMDEs. Although advanced-economy banking stress has so far not translated to EMDE financial sectors, the effects of more restrictive global financial conditions will remain a headwind to growth, particularly for EMDEs with weaker credit ratings. In LICs, domestic vulnerabilities, increased fragility, and persistently high poverty rates, will continue to weigh on economic recoveries.

Recent developments in emerging market and developing economies

Indicators of domestic demand in emerging market and developing economies (EMDEs), such as consumer confidence, have started to recover but remain weak. Tighter financial conditions have weighed on activity in sectors more sensitive to interest rates, such as construction and industrial production, both of which have been subdued. Tourism has recovered substantially since 2022.



Sources: Bloomberg; Goldman Sachs; Haver Analytics; World Bank.

Note: EAP = East Asia and Pacific; EMDEs = emerging market and developing economies.

A. Figure shows the simple average of consumer confidence indices standardized against their historical values for 12 EMDEs (Albania, Argentina, Brazil, China, Colombia, Hungary, India, Indonesia, Mexico, Pakistan, Thailand, and Türkiye). Standard deviations for constituent scores are based on the period from 2015 to the last observation, which is March 2023.

B. Increases in the financial conditions index imply more restrictive conditions. Increases in the EMDE construction activity proxy indicate greater confidence and increasing year-on-year activity in EMDE construction sectors. The construction activity proxy is a simple average of z-scores, multiplied by 100, for variables capturing confidence and activity in construction sectors for 9 EMDEs (Argentina, Brazil, Mexico, Chile, China, Hungary, Romania, South Africa, and Thailand). EMDE financial conditions is a GDP-weighted average of the Goldman Sachs financial conditions indices for 12 EMDEs, lagged by 3 months (that is, the July 2022 value signifies conditions in April 2022).

C. Figure shows the quarterly growth of industrial production in 31 EMDEs.

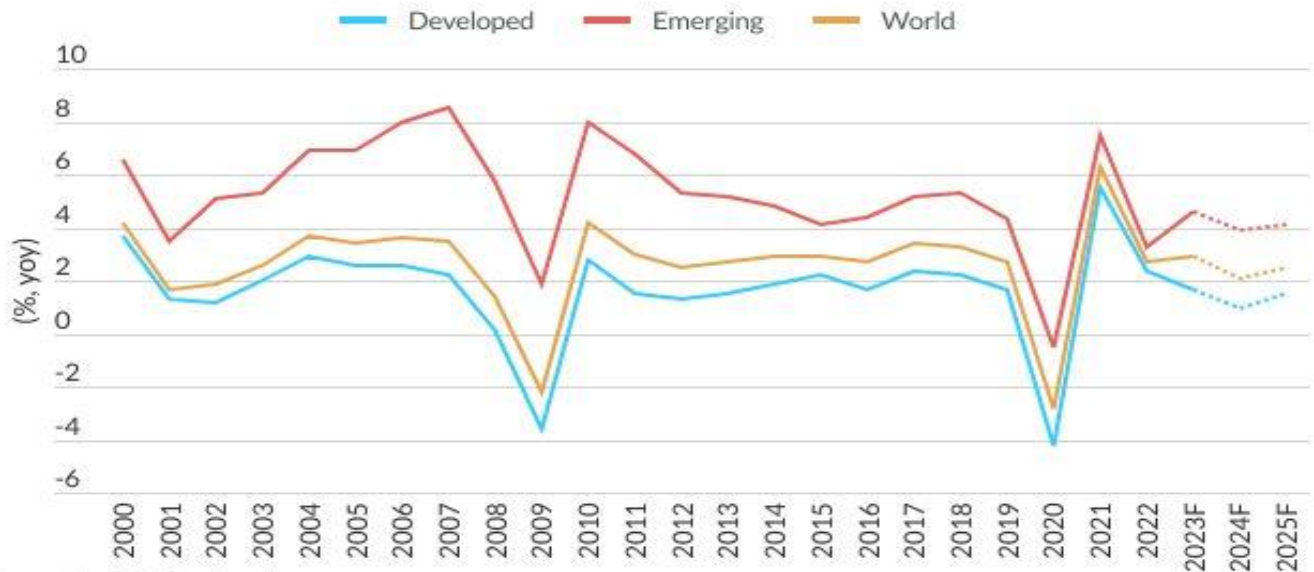
D. Figure shows total arrivals for country groups, expressed as a percentage of the same month in 2019. Sample includes 26 EMDEs, of which 5 are EAP.

World growth has held up well in 2023. Chinese consumer spending patterns have normalized after the removal of Covid-19 pandemic restrictions at the start of the year and US growth has picked up on renewed fiscal easing and surprisingly resilient household spending. This has outweighed a sharp slowdown in Europe – in the aftermath of the severe regional energy shock in 2022 - and has helped global growth to move up to 2.9% from 2.7% last year. But Fitch expects world growth to slow sharply in 2024 to 2.1% as the full impact of recent monetary tightening feeds through to private spending, consumption growth in China fades - with investment and export prospects there remaining weak- and the eurozone recovers only marginally. Global growth is likely to recover in 2025 on interest rate cuts starting in 2024, but will remain below trend on a relatively weak US recovery.

(Source: Fitch Ratings' estimates)

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World GDP Growth

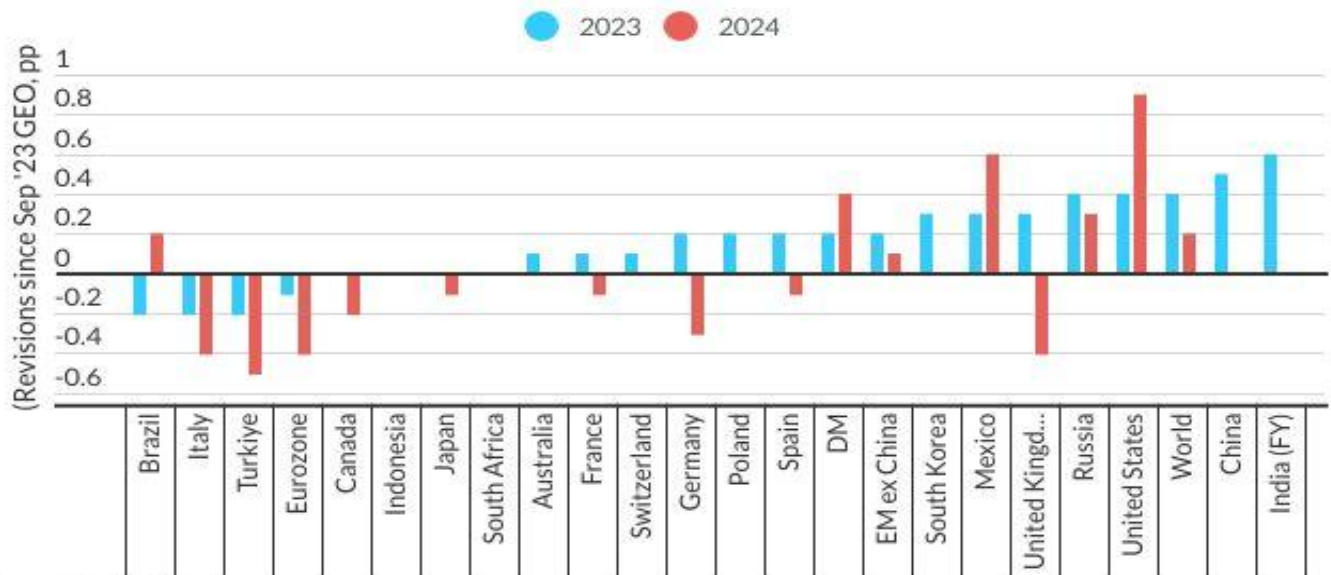


Source: Fitch Ratings' estimates

We have raised our forecast for global growth in 2024 by 0.2pp as a large 0.9pp upward revision to the US is partly offset by a 0.4pp cut to the eurozone growth outlook. We still expect US growth to slow sharply to 0.4% yoy in 4Q24 (from 3.0% in 3Q23) but we no longer anticipate declines in GDP on a quarterly basis. We expect eurozone growth to pick up mildly in 2H24 as declining inflation boosts real wages and consumption. But the downturn in world trade and tightening in credit conditions is taking a bigger toll on exports and investment than we anticipated in the September GEO, and Italy and Germany have seen sizeable cuts in growth prospects. We have lowered UK growth to 0.3% from 0.7% as credit to companies shrinks and household debt service is expected to rise much more sharply than in the US or eurozone. By contrast, we have raised Mexico's forecast by 0.6pp on booming domestic investment and improved US prospects.

(Source: Fitch Ratings' estimates)

Revisions to Annual GDP Growth Forecasts



Source: Fitch Ratings' estimates

INDIAN ECONOMIC OUTLOOK

INTRODUCTION

In 2023-24 (April-September), India's service exports stood at US\$ 164.89 billion. Furthermore, India's overall exports (services and merchandise) in 2023-24 (April-September) were estimated at US\$ 376.29 billion. 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.

MARKET SIZE

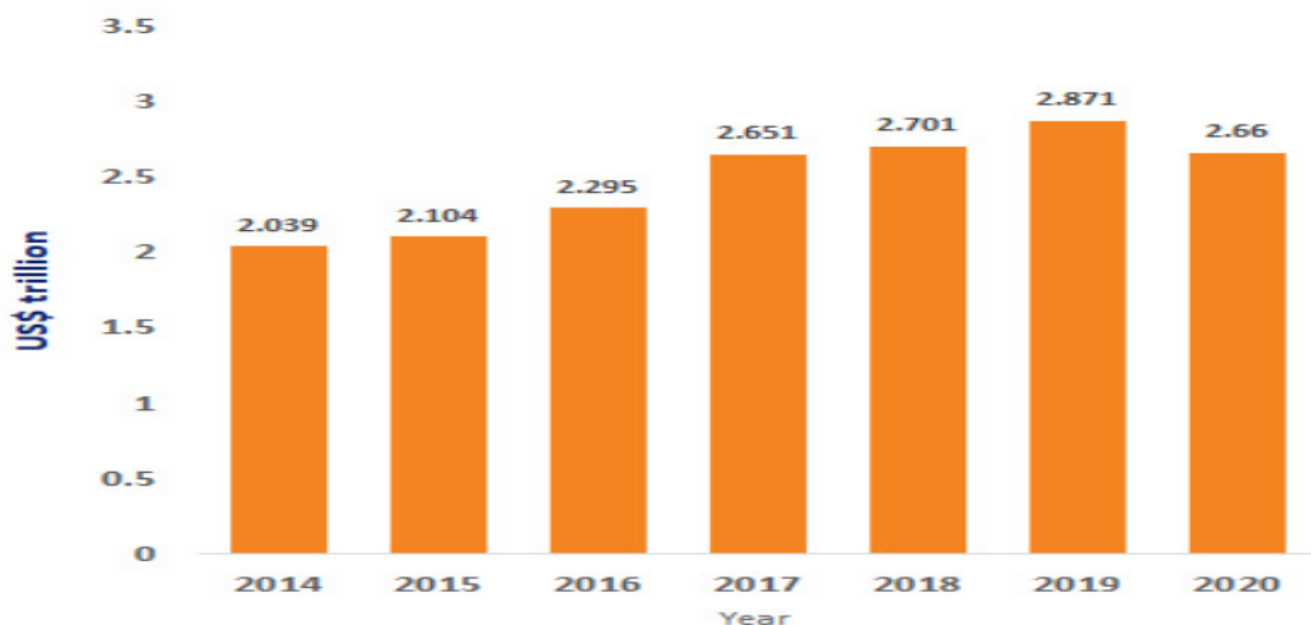
India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 301.75 trillion (US\$ 3.62 trillion) in 2023-24. Additionally, the Nominal GDP at current prices in Q1 of 2023-24 was Rs. 70.67 trillion (US\$ 848.92 billion), as against Rs. 65.42 trillion (US\$ 785.85 billion) in 2022-23, estimating a growth of 8%. 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 to 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 same time period. India's current account deficit (CAD) decreases to US\$ 9.2 billion in Q1 of 2023-24 from US\$ 17.9 billion in Q1 of 2022-2023.

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.

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India's Gross Domestic Production



RECENT DEVELOPMENTS

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- As of August 2023, India's foreign exchange reserves stood at US\$ 594.90 billion.
- In the first half of 2023-24, India saw a total of US\$ 21 billion in PE-VC investments.
- Merchandise exports in September 2023 stood at US\$ 34.47 billion, with total merchandise exports of US\$ 211.40 billion during the period of April-September (2023-24).
- India was also named as the 48th most innovative country among the top 50 countries, securing 40th position out of 132 economies in the Global Innovation Index 2023. India rose from 81st position in 2015 to 40th position in 2023. India ranks 3rd position in the global number of scientific publications.
- PMI Services remained comfortably in the expansionary zone at 62.3 in the month of June 2023.
- In September 2023, the gross Goods and Services Tax (GST) revenue collection stood at Rs.1,62,712 crore (US\$ 19.54 billion), of which CGST is Rs. 29,818 crore (US\$ 3.58 billion), SGST is Rs. 37,657 crore (US\$ 4.52 billion), IGST is Rs. 83,623 crore (US\$ 10.04 billion).
- Between April 2000–June 2023, cumulative FDI equity inflows to India stood at US\$ 937.58 billion.
- In August 2023, the overall IIP (Index of Industrial Production) stood at 145.1. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 111.9, 143.5 and 220.5, respectively, in August 2023.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 5.02% in September 2023.
- Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to Rs. 80,500 crore (US\$ 9.67 billion), while Domestic Institutional Investors (DII) sold Rs. 4,500 crore (US\$ 540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested Rs. 22,000 crore (US\$ 2.67 billion) in India during the first week of July 2023.
- The wheat procurement during RMS 2023-24 (till May) was estimated to be 262 lakh metric tonnes (LMT) and the rice procured in KMS 2023-24 was 385 LMT. The combined stock position of wheat and rice in the Central Pool is over 579 LMT (Wheat 312 LMT and Rice 267 LMT).

GOVERNMENT INITIATIVES

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- On August 6th, 2023, Amrit Bharat Station Scheme was launched to transform and revitalize 1309 railway stations across the nation. This scheme envisages development of stations on a continuous basis with a long-term vision.
- On June 28th, 2023, the Ministry of Environment, Forests, and Climate Change introduced the 'Draft Carbon Credit Trading Scheme, 2023'.
- From April 1st, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'AtmaNirbhar Bharat' and 'Local goes Global'.
- In order to enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of Rs. 1,500 crore (US\$ 182.35 million).
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from January 1st, 2023.
- In the Union Budget of 2022-23, the government announced funding for the production-linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production-linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2,500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production-linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 trillion (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.

ROAD AHEAD

In the second quarter of FY24, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2023. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked 5th in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in 2023-24, stood 37.4% higher than the same period last year. In the budget of 2023-24, capital

expenditure took lead by steeply increasing the capital expenditure outlay by 37.4 % in BE 2023-24 to Rs.10 lakh crore (US\$ 120.12 billion) over Rs. 7.28 lakh crore (US\$ 87.45 billion) in RE 2022-23. The ratio of revenue expenditure to capital outlay increased by 1.2% in the current year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

Source: <https://www.ibef.org/industry>

ADHESIVE INDUSTRY

GLOBAL OUTLOOK

INTRODUCTION

The Adhesives Market is segmented by End User Industry (Aerospace, Automotive, Building and Construction, Footwear and Leather, Healthcare, Packaging, Woodworking and Joinery), by Technology (Hot Melt, Reactive, Solvent-borne, UV Cured Adhesives, Water-borne), by Resin (Acrylic, Cyanoacrylate, Epoxy, Polyurethane, Silicone, VAE/EVA) and by Region (Asia-Pacific, Europe, Middle East & Africa, North America, South America). Market Value in USD and Volume in tons are both presented. Key Data Points observed include the volume of automobile production, plastic and paper and paperboard packaging production, new construction floor area, aircraft production and deliveries.

Source: <https://www.mordorintelligence.com/industry-reports/global-adhesives-market>

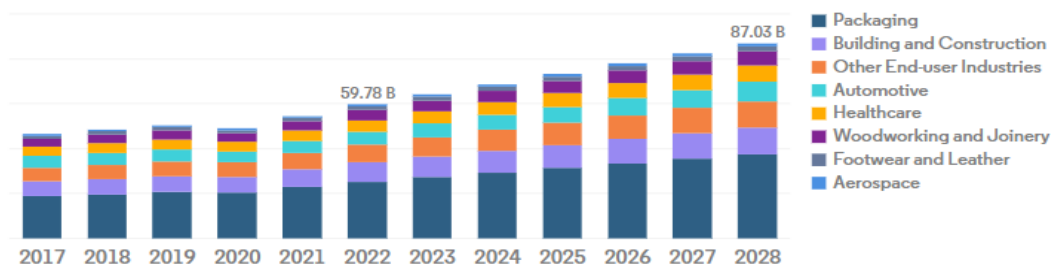
ADHESIVES MARKET ANALYSIS

The Adhesives Market size is estimated at USD 68.88 billion in 2024, and is expected to reach USD 87.04 billion by 2028, growing at a CAGR of 6.02% during the forecast period (2024-2028).

Owing to the cheaper cost and high bonding strength to various substitutes including paper, plastic, and metal, packaging end-user to remain the largest and fastest

- Adhesives are majorly consumed in the packaging industry in the country owing to their importance in bonding plastics, metals, and paper & cardboard packaging applications. In addition, the packaging is the fastest-growing end-user of adhesives. Waterborne adhesives are highly consumed in the industry because of their cheaper cost and high bonding strength which is required in these applications. It is seen that nearly 8.5 million tons of water-borne adhesives are consumed in the packaging industry of the country during 2021.
- Adhesives are widely used in the construction industry because of their applications, such as waterproofing, weather-sealing, crack-sealing, and bonding. The construction industry globally is expected to record a CAGR of 3.5% up to 2030. Asia-Pacific and Europe are expected to account for 68% of the global construction market's growth. As a result, construction sealants account for the largest share of the global adhesives market, by value.
- Adhesives are widely used in the automotive industry because of their applicability to surfaces such as glass, metal, plastic, and painted surfaces. Their features are helpful, such as extreme weather resistance, durability, and long-lasting, which drive their usage in engines and car gaskets. The electric vehicles segment of the global automotive market is expected to record a CAGR of 17.75% in the forecast period because of the increase in demand for the same in growing economies. This is expected to increase the demand for automotive adhesives over the forecast period.
- Adhesives are used in the healthcare industry for applications such as assembling medical device parts. The increase in healthcare investments worldwide is expected to lead to a rise in demand in the forecast period. Source: <https://www.mordorintelligence.com/industry-reports/global-adhesives-market>

Value of Adhesives Consumed by end user industry, USD, Global, 2017 - 2028



Source: Mordor Intelligence



GLOBAL ADHESIVES MARKET TRENDS

Fast paced growth of e-commerce industry in developing nations to augment the industry

- In 2020, the packaging industry started with multiple long-term trends driving higher demand, and growth accelerated as economic activity switched to address the challenges posed by the COVID-19 pandemic. The industry's robust performance supported rising revenues and the expansion of important end markets such as food and beverage and healthcare and also demonstrated the industry's general stability during a period of overall economic uncertainty.
- Packaging M&A activities soared in 2021, as buyers and sellers enthusiastically returned to the market after deal-making almost ceased during the pandemic in 2020. During the pandemic, the strong performance of packaging companies reinforced the idea that the industry offers stability during moments of general market turbulence. The pandemic also strengthened previously existing tailwinds, including rapid e-commerce expansion and brand owners employing packaging to differentiate their products on supermarket shelves, positioning the sector for stronger long-term growth.
- As of now, dissolvable packaging, space-saving packaging, and smart packaging are a few innovations that have come up in the packaging industry. The adoption of edible packaging, an interesting and innovative alternative that alleviates the reliance on fossil fuels and has the potential to significantly decrease the carbon footprint, is now becoming popular across the food industry owing to its sustainability. These factors have created a growth opportunity for the packaging industry in the food and beverage sector, which is expected to boost the packaging industry's growth during the forecast period.

Source: <https://www.mordorintelligence.com/industry-reports/global-adhesives-market>

ADHESIVES MARKET NEWS

- July 2022: Mapei started the construction of its third manufacturing facility in Kosi, Mathura, to cater to the demand generated from Northern India.
- July 2022: Arkema closed the acquisition of Permoseal, a pioneer in adhesive solutions for DIY, packaging, and construction, and enhanced its presence in South Africa.
- May 2022: Henkel introduced new products, such as Loctite Liofol LA 7818 RE / 6231 RE and Loctite Liofol LA 7102 RE / 6902 RE, to promote recyclability in the packaging industry. Source: <https://www.mordorintelligence.com/industry-reports/global-adhesives-market>

INDIAN ADHESIVE INDUSTRY OUTLOOK

The India Adhesives and Sealants Market is segmented by Adhesive by Resin (Polyurethane, Epoxy, Acrylic, Silicone, Cyanoacrylate, VAE/EVA, and Other Resins), by Adhesives by Technology (Solvent-Borne, Reactive, Hot Melt, and UV Cured Adhesives), by Sealants by Resin (Polyurethane, Epoxy, Acrylic, Silicone, and Other Resins) and by End-User Industry (Aerospace, Automotive, Building and Construction, Footwear and Leather, Healthcare, Packaging, Woodworking and Joinery, and Other End-user Industries). The report offers the market sizes and forecasts in revenue (USD million) and in volume (kilotons) for all the above segments. Source: <https://www.mordorintelligence.com/industry-reports/india-adhesives-and-sealants-market>



ADHESIVES IN INDIA MARKET ANALYSIS

The India adhesives and sealants market is expected to be valued at more than USD 2,400 million by the end of the year, and it is expected to register an estimated CAGR of over 7% over the forecast period (2022-2027).

The country was negatively affected by the COVID-19 pandemic. The adhesives and sealants market in the country also faced a similar situation. But the market has now reached pre-pandemic levels, and it is expected to grow steadily.

- The major factors driving the market are the increasing demand from the packaging industry and the growing aerospace industry in the country.
 - On the flip side, the stringent environmental regulations regarding VOC emissions are hindering the growth of the market.
 - Increasing electronic operations in India and increasing demand for bio-based adhesives are expected to offer various opportunities for the growth of the market over the forecast period.
- Source: <https://www.mordorintelligence.com/industry-reports/india-adhesives-and-sealants-market>

ADHESIVES IN INDIA MARKET TRENDS

This section covers the major market trends shaping the India Adhesives & Sealants Market according to our research experts:

ADHESIVES IN INDIA INDUSTRY OVERVIEW

The India adhesives and sealants market is highly concentrated in terms of revenue. The top five players account for a combined share of more than 90%, making the market highly competitive. Pidilite Industries Limited is the market leader, and other major companies (not in any particular order) include Henkel Adhesives Technologies India Private Limited, Sika AG, Arkema Group, and H.B. Fuller Company, among others.

Source: <https://www.mordorintelligence.com/industry-reports/india-adhesives-and-sealants-market>

ADHESIVES IN INDIA MARKET NEWS

- In Nov 2020, Pidilite Industries acquired Huntsman Group's Indian subsidiary for Rupee 2,100 crore. This increased the product portfolio of the company in the adhesives and sealants market.
- In May 2022, Azelis expanded its geographical presence in India with the acquisition of Chemo India and Unipharm Laboratories, a research wing for coatings, adhesives, sealants, elastomers (CASE) segment.

Source: <https://www.mordorintelligence.com/industry-reports/india-adhesives-and-sealants-market>

ADHESIVES IN INDIA INDUSTRY SEGMENTATION

The India adhesives and sealants market is segmented by adhesive by resins, adhesives by technology, sealants by resin, and the end-user industry. On the basis of Adhesive by Resin, the market is segmented into Polyurethane, Epoxy, Acrylic, Silicone, Cyanoacrylate, VAE/EVA, and Other Resins. By Adhesives by Technology, the market is segmented into Solvent-Borne, Reactive, Hot Melt, and UV Cured Adhesives. By Sealants by Resin, the market is segmented by Polyurethane, Epoxy, Acrylic, Silicone, and Other Resins, and by End-User Industries, the market is segmented into Aerospace, Automotive, Building and Construction, Footwear and Leather, Healthcare, Packaging, Woodworking and Joinery, and Other End-user Industries. The market sizes and forecasts in revenue (USD million) and in volume (kilotons) for all the above segments. The report offers the market sizes and forecasts in terms of revenue (USD million) and volume (kilotons) for all the above segments. Source: <https://www.mordorintelligence.com/industry-reports/india-adhesives-and-sealants-market>

The Indian adhesives market was valued at US\$930.464 million in 2021 and is expected to grow at a CAGR of 10.26% over the forecast period to reach US\$1842.936 million by 2028.

The expanding requirement from the packaging market and the country's rising automobile manufacturing are the main drivers of the Indian adhesive market. With more end-user applications, the need for adhesives in the packaging sector is growing. The demand for packaging, particularly flexible packaging, has been rising in India result of several reasons including light weighing items, diverse sizes, shelf life, and ease of recycling. Flexible packaging, specialty packaging, composite containers, and frozen food packaging are some of the packaging applications that use adhesives and sealants. The expansion of adhesives in the packaging sector in the area has also been fueled by elements like e-commerce or food deliveries over the internet. In addition, the adhesive market in India is expanding significantly as a result of the arrival of foreign competitors, the use of new technologies, and other factors.

Government and private efforts to expand the development of this market have acted as a boost to the Indian adhesive market. For example, the government was petitioned by The Indian Cellular and Electronics Association of India (ICEA of India) in December 2022 to expand the production-linked incentive (PLI) scheme to include electronics components, adhesives and subassemblies, with an initial budgeted commitment of Rs 5,000 crore. In the next five years, the organization predicts that export opportunities for components and subassemblies might total US\$100 billion.

India Adhesives Market Scope:

Metric	Details
Market Size Value in 2021	US\$930.464 million
Market Size Value in 2028	US\$1842.936 million
Growth Rate	CAGR of 10.26% from 2021 to 2028
Base Year	2021
Forecast Period	2023–2028
Forecast Unit (Value)	USD Million
Segments Covered	Technology, Products, And Application
Companies Covered	3M India, National Starch, Bostik Findley, Pidilite Industries Ltd., SikaAG , H.B. Fuller Company, Henkel Adhesives Technologies India Private Limited, Nikhil Adhesives Limited
Customization Scope	Free report customization with purchase

Market Segmentation:

- By Technology
 - Water-Based
 - Solvent-Based
 - Hot-Melt
 - Reactive and others
- By Products
 - Acrylic
 - Epoxy
 - Ethyl Vinyl Acetate
 - Polyurethane
 - Polyvinyl Acetate
 - Others
- By Application

- Packaging
- Construction
- Consumer Appliances
- Leather
- Laminates
- Automobile
- Others

India Consumer Adhesives Market

Consumer adhesives market witnessed a significant growth owing to the surging demand from the intermediaries (like carpenters) and art & craft industry. The demand majorly comes from carpenters and other intermediaries associated with general home maintenance and shoe repair. Organized adhesives market was observed to dominate the consumer adhesives market in India followed by unorganized market in FY'20. Water based adhesives dominated the consumer adhesives market in India owing its high demand in the wood working end user segment. PVA adhesives dominating the consumer adhesives market in India owing to its huge usage in the wood working and art & craft industry. Carpenter/Intermediaries dominated the consumer adhesives market in FY'20 in India. The surging wood working industry in India is contributing the growing demand for consumer adhesives. Wood working is having a dominant consumption share in the consumer adhesives market in India owing growing wood working industry in India. In terms of Sales Channel Segmentation by revenue, Paint and Hardware store was observed to dominate the consumer adhesives market in India in FY'20.



Source: <https://www.kenresearch.com/blog/2021/01/india-adhesives-market/>

Comparative Landscape in India Adhesives Market

Competition was observed to be moderately concentrated in industrial adhesives market and highly concentrated in consumer adhesives market in India. The adhesive companies in India are competing on the basis of the dealer/distributor network, brands, industries catered, packaging, innovation, brand presence, geographical presence and others.

India Adhesives Market Future Outlook and Projections

The India adhesive market shall witness negative growth in FY'2021, due to lockdown measures, restriction on various businesses and ban on transportation in the initial phase. India adhesives market is anticipated to get back to normal by first quarter of 2021. Over the forecast period FY'2020-FY'2026F, the India adhesives market is further anticipated to showcase a CAGR of 7.6%. India industrial adhesives market is anticipated to grow at a CAGR of 7.8% during the forecast period FY'20 to FY'26. Growth in the end user industries such as packaging, automotive and other is anticipated to lead to the growth of the industrial adhesives market. With high potential in the industrial adhesive market and ease of manufacturing, the country shall witness the entry of global players in this segment. India consumer adhesives market is anticipated to grow at a CAGR of 7.4% during the forecast period FY'20 to FY'26. The consumer adhesive companies in India will continue to expand their dealer and distribution network to reach to a larger target market which would help them increase their market share.

Source: <https://www.kenresearch.com/blog/2021/01/india-adhesives-market/>

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OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled “Forward-Looking Statements” beginning on page 16 of this Draft Letter of Offer, for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” 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. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Letter of Offer, including the information contained in the sections titled “Risk Factors” and “Financial Information” beginning on pages 19 and 70, respectively.

OVERVIEW OF THE BUSINESS:

Our Company was incorporated as Yug Adhesive Private Limited under the provision of the Companies Act, 1956 vide certificate of incorporation dated June 23, 2003 issued by the Asst. Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Later on, the name of company was changed to Yug Décor Private Limited and fresh certificate of incorporation dated December 7, 2004 was issued by the Registrar of Companies, Gujarat. Consequent upon the conversion of our Company into public limited company, the name of our Company was changed to Yug Decor Limited and fresh certificate of incorporation dated September 14, 2016 was issued by the Deputy ROC, Registrar of Companies, Ahmedabad Gujarat. The Corporate Identification Number of our Company was U24295GJ2003PLC042531. The equity shares of our Company were listed on SME platform of BSE Limited on May 31, 2017. The Scrip symbol ‘YUG’, Scrip Code ‘540550’ and ISIN ‘INE796W01019’. The Registered office of our company was shifted to 709-714, Sakar- V, B/H Natraj Cinema, Ashram Road, Ahmedabad, Gujarat, India, 380009 vide Board Resolution dated February 12, 2018.

Our Company was incorporated in the year 2003. Earlier Company was engaged in mere trading of Laminates and plywood. In the year 2006, Our Company had buy out manufacturing Unit (Unit I) of Water Based Adhesive from Karan Adhesives Private Limited against the consideration of Rs. 18.56 Lakh and also commence the activity of and Rubber Solution/Adhesive i.e. PVA Based Adhesive, PVA Based Binder, Resin Solution and Rubber Adhesives for wood and footwear industry at Santej and due to which top line of our company was increased to the level of Rs.391.69 Lacs and our PBDT was more than doubled to Rs. 6.56 Lacs and net profit after tax has increased to Rs.1.50 Lacs i.e by 73.2%.

Yug Decor Limited is a young and dynamic organization manufacturing different kind of adhesives – Synthetic Binders, Synthetic Rubber Adhesives, Synthetic Resin Adhesives, Natural Rubber Adhesives, Footwear Adhesives under the brand name of YUG–COL. The company is managed by Chandresh S. Saraswat who is having a vast experience of 34 years in production and marketing of adhesives and plywood industry goods.

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

Our presence in the business for more than 2 decades have aided us to create a brand image coupled with the industry experience we possess; our brand is well received by the market and we aim to continue to further strengthen our brand by supplying qualitative products at competitive prices across the globe.

Our Company’s registered office and manufacturing facilities are as below:


Registered Office: 709-714, Sakar - V, Behind Old Natraj Cinema, Ashram Road, Ahmedabad, Gujarat, India






Manufacturing facility:






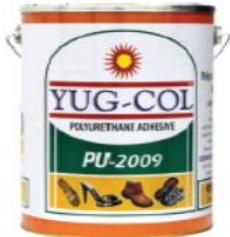
Unit-1: Plot No. 832, Kothari Estate, Near Kothari Cross Road, Vil- Santej, Tal- Kalol, Dist- Gandhinagar- 382 721, Gujarat, India.



Unit-2: Plot No. 734/3, Opp. Nilkanth Hotel, Rakanpur, Vil-Santej, Tal-Kalol, Dist- Gandhinagar-382 721 Gujarat, India.

OUR PRODUCTS:

Product Name	Product	Description
SYNTHETIC RESIN ADHESIVES		
YUG-COL ULTRA		PVAC adhesives have become one of the most important adhesives in wood -working industry several different approaches have been taken to improve the moisture and heat resistance of PVAC. Wood adhesives, to meet the European standards of non structural wood adhesives (BS.EN.204) or D3 standard. Now YUG COL-ULTRA conforms the D3 (BS.EN.204) standards of Europe.
YUG-COL WATER RESISTANT	 ++	It is milky white aqueous poly vinyl acetate dispersion with cross linking properties. Ideal for area exposed to moisture and humidity like bathrooms, kitchens, ship building and coastal areas.
YUG-COL WOOD GLUE		It is used for all wood – working applications furniture industry, plywood industry, handicrafts, paper and paper products, textile industry.
GOOD BOND		It is a economical grade synthetic resin based adhesive having vast applications in wood-working / furniture industry, handicrafts, paper and paper products, textiles and other allied industries and also for domestic household applications.
BISON BOND WG		It is a synthetic resin based adhesive having vast applications in wood-working / furniture industry, handicrafts, paper and paper products, textiles and other allied industries and also for domestic household applications. It gives bonding for wood to wood, wood to laminate sheets, and other multiple surfaces. It is economical in long run.
SUPER JOR		It is a low cost grade synthetic resin based adhesive having applications in wood – working / furniture industry, handicrafts, paper and paper products, textiles and other allied industries and also for domestic household applications.

BLUE BOND		It is a synthetic resin based adhesive having vast applications in wood-working / furniture industry, handicrafts, paper and paper products, textiles and other allied industries and also for domestic household applications.
PVC BOND		It is a specially modified vinyl acetate – ethylene (VAE) copolymer to offer excellent adhesion to a wide variety of difficult to bond substrates, the emulsion is poly (vinyl alcohol) stabilized for good wet tact, setting speed and excellent machinability. It is formaldehyde free and below 1000 ppm residual monomer product.
BANDHAN BOND		It is a economical grade synthetic resin based, adhesive having vast applications in wood-working, / furniture industry, handicrafts, paper and paper products, textiles and other allied industries and also for domestic household applications.
FIXOL		It is economical wood-working adhesive.
SYNTHETIC RUBBER ADHESIVES		
SR-99		It is a rubber based adhesive for use in foam-to-foam applications, footwear and carpet industry. The unique advantage is that it gives a soft feel to the joined surfaces. It is non-staining and does not discolor tapestry. It is economical to use. It is quick drying and gives good coverage.
SR-55		It is a rubber based adhesive for use in foam-to-foam applications, foam and handicraft industry. The unique advantage is that it gives a soft feel to the joined surfaces. It is non-staining and does not discolor tapestry. It is economical to use. It is quick drying and gives good coverage.

SR-44		It is a rubber based adhesive for use in foam-to-foam applications, footwear and carpet industry. The unique advantage is that it gives a soft feel to the joined surfaces. It is non-staining and does not discolor tapestry. It is economical to use. It is quick drying and gives good coverage.
SPRAY ADHESIVE		It is a rubber based adhesive for use in foam-to-foam applications, bonding foam to foam, rubber to foam, foam to wood, foam to metal, and foam to upholstery. The unique advantage is that it gives a soft feel to the joined surfaces. It is non – staining and does not discolor tapestry. It is economical to use. It is quick drying and gives good coverage.
HEATPRO+		It is a synthetic rubber-based adhesive for use in foam-to-foam applications, furniture and footwear industries. The unique advantage is that it gives a soft feel to the joined surfaces. This can also be used in upholstery and fixing laminate sheets to wood and other surfaces. It is non – staining and does not discolor tapestry. It is economical to use. It is quick drying and gives good coverage.
FOOTWEAR ADHESIVES		
PU-2032		It is used in footwear / shoe / leather industry.
PU-2012		It is use in footwear / shoe / leather industry.
PU-2009		It is use in footwear / shoe / leather industry

NR-107		It is ready to use type adhesive based on natural rubber and synthetic resin. All joints for foam to foam and any other surface like PU foam, rubber foam, wood, metal, footwear. It gives strong initial tackiness and develops much stronger bond to a large number of surfaces. It is easy to apply, faster in drying thereby saving application time and is very versatile in applications.
SYNTHETIC BINDERS		
YDL		It is an aqueous polyvinyl acetate dispersion with cross – linking properties and a lowered minimum film forming temperature.

The Product wise revenue of our Company for the year period March 31, 2023 and for the six months period ended September 30, 2023, are as follows: -

Particulars	March 31, 2023(in ₹ lacs)	In Percentage (%)	September 30, 2023 (in ₹ lacs)	In Percentage (%)
Synthetic Resin Adhesives/Lai (Kgs)	1,385.47	44.43%	644.80	20.68%
Synthetic Rubber Adhesives (Ltr)	1,117.24	35.83%	540.54	17.33%
Footwear Adhesives (Ltr)	611.51	19.61%	211.67	6.79%
Synthetic Binders (Kgs)	4.17	0.13%	0.60	0.02%
Total	3,118.39		1,397.61	

The State wise revenue of our Company for the year period March 31, 2023 and for the six months period ended September 30, 2023, are as follows: -

Particulars	March 31, 2023 (in ₹ lacs)	In Percentage (%)	September 30, 2023 (in ₹ lacs)	In Percentage (%)
Gujarat	940.25	30.15%	291.57	9.35%
Maharashtra	523.79	16.80%	221.12	7.09%
Madhya Pradesh	180.27	5.78%	80.13	2.57%
Delhi	182.06	5.84%	129.18	4.14%
Rajasthan	57.06	1.83%	30.74	0.99%
Jammu	7.13	0.23%	0.89	0.03%
Punjab	11.09	0.36%	5.53	0.18%
Uttar Pradesh	878.05	28.16%	437.71	14.04%
Chhattisgarh	32.39	1.04%	37.92	1.22%
Karnataka	32.89	1.05%	50.52	1.62%
Tamilnadu	81.65	2.62%	35.38	1.13%
Kerala	66.48	2.13%	37.37	1.20%
Haryana	26.32	0.84%	28.78	0.92%
Uttarakhand	23.29	0.75%	10.77	0.35%
Total	3,118.39	100.00%	1,397.61	44.82%

Top Ten suppliers

Particulars (in ₹ lacs)	FY 2023	September, 2023
Top 10 total purchase value	1,552.80	640.57
Top 10 total purchases in percentage	56.59%	57.72%

Top Ten customers

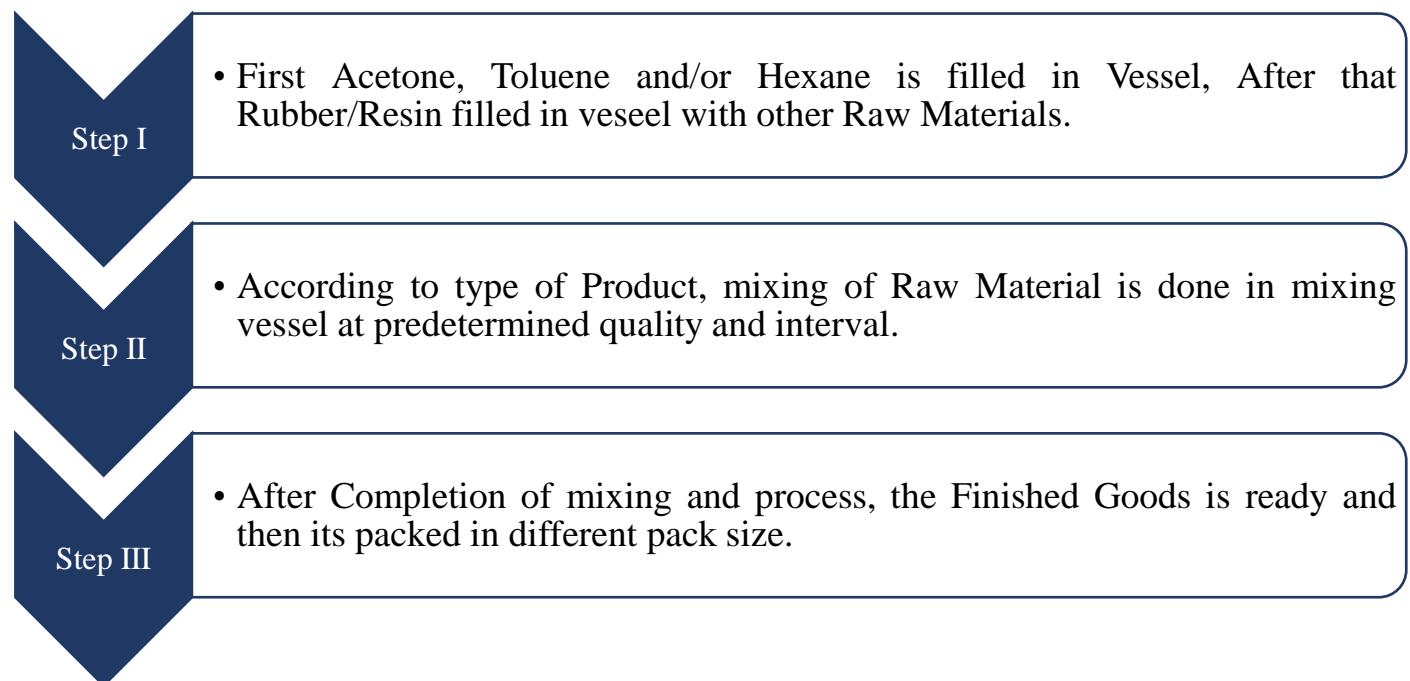
Particulars (in ₹ lacs)	FY 2023	September, 2023
Top 10 total sales value	1,236.83	533.78
Top 10 total sales in percentage	38.28%	31.90%

END USERS AND INVENTORY:

Based on experience of our individual promoters and market conditions, we maintain optimum inventory at our factory premises. Our products are mainly sold to company who used our products as raw material in their manufacturing process including furniture industry, leather industry, melamyne, paint industry etc and also to the end users through the channel of the distributors.

OUR MANUFACTURING PROCESS:

RUBBER ADHESIVES/RESIN SOLUTION



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LAI /GLUE BASED ON STARCH

Step I

- First water is filled in small vessel with starch powder/Tapiaco Starch and Other Raw Materials. Then It is heated at fixed Temperature to make starch Based Solution.

Step II

- Then above solution is filled in vessel with Vinyl Acetate Monomer, Poly Vinyl Acetate and Other Raw Materials according to the type of product. Mixing of Raw Materials is done in vessel at predetermined quantity and interval.

Step III

- After Completion of mixing and process, the Finished Goods is ready and then its packed in different pack size.

PVA ADHESIVES/WOOD GLUE

Step I

- First water is filled in vessel and heated at predetermined Temperature. Then Vinyl Acetate Monomer (VAM), Poly Vinyl Alcohol and Other Allied Raw Material with Water is Filled in Vessel

Step II

- According to type of Product, Mixing of Raw Materials is done in Vessel at predetermined Quantity and Interval

Step III

- After Completion of mixing and process, the Finished Goods is ready and then its packed in different pack size.

OUR COMPETITIVE STRENGTHS:

Vast experience with sound marketing and manufacturing knowledge

Since June 2003, our individual promoter and director Mr. Santosh kumar Saraswat have been initially for a period of three years involved in the trading of Adhesive, Laminates and plywood. Thereafter in the year 2006 our company commenced manufacturing

of various water and solvent based Adhesive chemicals used in wood-working applications- Furniture Industry, Plywood Industry, Handicrafts, paper and paper products, and textile Industry. Foam to Foam Application -Footwear and Carpet Industry, Laminates and Plywood bonding, Exterior Paint Industry, Automotive Industry.

Mr. Chandresh Saraswat is having more than 12 years of experience in the field of marketing with the different companies engaged in the business of timber, ply boards, packaging company. He joined the company in the year 2007 as Managing director of the company. At present, he is having more than 10 Years of experience in field of marketing and manufacturing of Chemical/Adhesive Industry.

We benefit from the experience of the individual Promoters-Directors and core management team which has enabled us to successfully implement our growth strategies.

Prime Location of our Factories (Manufacturing Units)

The factory is located in Santej Industrial Area and Rakanpur Industrial area of Kalol. In Kalol numbers of industrial units are established. The location near by Kalol is Chattral which is Industrial zone. In this area all the infrastructure facilities such as power supply, roads, water supply etc are developed and provided by governments/Local Authorities. All the benefits of infrastructure facilities developed by Government/Local Authorities are reaped by our company.

Kalol enjoys the good connectivity through National Highway roads and railway, which makes the movements of the raw-material as well as finished goods easy and comfortable. Thus it helps in smooth procurement of raw material and dispatch of finished goods to our various customers situated on PAN India basis.

Quality Assurance

We have in-house laboratory in our factory which keeps a track of quality control of our products. All products which are dispatched from the factory premises are inspected by the 2 authorized officials heading the dispatch department. Further, quality check is done at every stage of manufacturing to ensure the adherence to desired specifications. Since, our Company is dedicated towards quality of products, processes and inputs; we get repetitive orders from our buyers, as we are capable of meeting their quality standards, which enables them to maintain their brand image in the market. Majority of our products are registered under Trademark Act, 1999.

OUR BUSINESS STRATEGY:

At Yug, we believe in Optimal utilization of Resources using competitive pricing along with maintaining healthy and long-term relationship with suppliers and customers. At present, we operate at approx. range of 75% to 80% of our installed capacity and are utilizing our working capital facility at the optimum level. Our Company constantly endeavors to improve our production process, skill up-gradation of workers, modernization of machineries to optimize the utilization of resources and in order to increase the operational production capacity, we need to pump the additional working capital. Further, we regularly analyse our existing material procurement policy and manufacturing process to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

In addition, Company believes that a long-term client relationship with customers fetches better results and this enables the company to explore the new customers' base. We also import quality raw material from various countries SOURCES at good competitive rate which helps us to control the cost of production and as a result we enable to offer our products at most competitive rate to our customers and due to which we remain aggressive and capitalize a good market share. This helps us to sustain in the competition, claim a position of strength in the marketplace and increase brand value of our products.

SWOT ANALYSIS:

Strengths:

1. The Promoters have been involved in the Adhesive, Laminates, and plywood business since January 2003 and in manufacturing of Water and Solvent Based Adhesive since 2006.
2. All the departments of the Company are professionally driven and managed by professionals.

3. Company is having wide channel of distribution network spread over PAN India basis and having long term relationship with the Customers.
4. In-house laboratory in our factory which keeps a track of quality control of our products.
5. The Factory is located in Santej in Kalol and thus enjoys excellent connectivity and reapes the Infrastructure facility of Government/Local Authorities.

Weakness:

1. Strict Environmental policies and controls may pose real hurdle to the development of chemical based project.
2. The public image of the Chemical Industry is evaluated by chemical producers as a big barrier, because people are still afraid of hazardous chemicals in their neighbourhood.

Opportunity

1. Despite the current critical financial and economic hurdles, the expected positive long term economic development and the increasing freight transport volumes all constitute an opportunity for the growth and the further development of most of the chemical enterprises. This can be an important contribution to the stabilization of markets and the improvement of customer satisfaction.

Threat

1. Our Company has to face severe competition from other Corporate established in same sector in which we are having less brand image in compare to other peer group organized companies.

COLLABORATIONS/ TIE UPS OR JOINT VENTURE:

As on the date of this Draft Letter of Offer, our Company has not entered into any technical or other collaboration or Tie ups or Joint Venture.

EXPORT AND EXPORT OBLIGATION:

As on date of this Draft Letter of Offer, our Company does not have any Export Obligation under Export Promotion Capital Goods (EPCG) Scheme or any other scheme of Government of India.

CAPACITY AND CAPACITY UTILIZATION:

Our manufacturing unit is engaged in manufacturing and sale of various types of Adhesives/Lai/ Binders. The production and utilized capacities of our Company for these products for the past three years and also the projected capacities and utilizations for the subsequent three years are set forth in the following table:

Products	Unit	for the Half year ended September 30, 2023		For the Financial year ended March 31,2023	
		Installed	Utilised	Installed	Utilised
Synthetic Resin Adhesive/Lai	Kgs	8,40,000	5,22,192	16,80,000	9,90,466
Synthetic Binders	Kgs	60,000	2,229	1,20,000	10,303
Synthetic Rubber Adhesive	Ltr	5,28,000	3,98,154	8,61,000	8,34,172
Footwear Adhesive	Ltr	2,34,000	1,89,753	4,68,000	5,47,170
Percentage			66.93%		76.13%

PLANT AND MACHINERY:

Currently, the major plant and machinery installed in our manufacturing facility is given below. Further, none of the existing machinery are second hand.

Name of Major Machinery	Quantity
Carton Strapping Machine	04
Weighing Machine	09
Sealing Machine	07
Filling Machine	02
Reactor Vessel	16
High Speed Stirrer	01
Cooling Tower	01
Boiler	01
Lift	03
CIJ Printer	01

HUMAN RESOURCES:

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business.

As on January 31, 2024 we have 91 employees at our manufacturing facility and registered office, who look after our business operations, factory management, administrative, secretarial, legal, marketing and accounting functions in accordance with their respective designated goals. Bifurcation of the employee as per their role is as under:

Designation	Employees
Management & Finance	07
Administration & Marketing	69
Production/ Manufacturing	03
Skilled & Semi Skilled	12
Total	91

COMPETITION:

The Adhesive/chemical industry constitutes numerous Adhesive/chemical exporters, manufacturers and supplier dealing in Adhesive (Water and Solvent Based), etc. Competition emerges not only from organized sector but also from the unorganized sector and from both small and big regional players, National and International players. In adverse and competitive market scenario also we are able to maintain our growth steadily due to our planned structure of purchase policy of raw material and strategically market policy. Our experience in this business has enabled us to provide quality products in response to customer's demand for best quality.

INSURANCE:

We generally maintain insurance covering our stock at such levels that we believe to be appropriate. We maintain insurance for our vehicles carrying goods and other vehicles, burglary standard policy, bharat sookshma udyam suraksha policy. We have also insured our employees by availing workmen's compensation policy. The details of all such policies are as follows:

Policy No.	Risk Covered	Sum Assured (Amount in Rs. Lakhs)	Name of the Insurer	Policy Period	
				From	To
0677001223P111972498	Stock in Trade or Goods in the custody of the Insured - Liquors, Metals, Motor vehicles, Pens, Radios, Readymade Garments, Electronic Gadgets, Wrist Watches etc	6,000,000	United India Insurance Company Limited	18/12/2023	17/12/2024
0677001123P111972800	Gum/Glue/Gelatine	10,000,000	United India Insurance	18/12/2023	17/12/2024

	Manufacturing(2101), Plant and Machinery and Other Contents (Other than Stocks) , Specific Items		Company Limited		
0677001223P111972466	Stock in Trade or Goods in the custody of the Insured - Liquors, Metals, Motor vehicles, Pens, Radios, Readymade Garments, Electronic Gadgets, Wrist Watches etc	12,000,000	United India Insurance Company Limited	18/12/2023	17/12/2024
0677001123P111972669	Gum/Glue/Gelatine Manufacturing(2101) Plant and Machinery and Other Contents (Other than Stocks) , Specific Items	13,000,000	United India Insurance Company Limited	18/12/2023	17/12/2024
213001/31/24/024991	Vehicle Insurance Policy	6,68,500	Shriram General Insurance Company Limited	09/11/2023	08/11/2024
VB744857	Vehicle Insurance Policy	4,50,000	Future Generali India Insurance Company Limited	30/05/2023	29/05/2024
D110356250 / 29072023	Vehicle Insurance Policy	5,63,000	Go Digit General Insurance Limited	04/08/2023	03/08/2024
D112733378 / 22082023	Vehicle Insurance Policy	2,40,800	Go Digit General Insurance Limited	29/08/2023	28/08/2024
D105439244 / 13062023	Vehicle Insurance Policy	6,52,500	Go Digit General Insurance Limited	21/06/2023	20/06/2024
0677001123P104871769	United Bharat Sookshma Udyam Suraksha Policy for Building situated in Gandhinagar	30,68,000	United India Insurance Company Limited	01/08/2023	31/07/2024
L0246881	Employee Compensation Policy	5,00,000	Future Generali India Insurance Company Limited	04/12/2023	03/12/2024

LAND AND PROPERTY:

We have our properties located at following:

Leasehold Property:

Sr. No	Address of the Property	Area of the Property	Consideration Paid	Purchase Year /	Lessor	Current Usage
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				Lease Period		
1.	734/3, Rakanpur Village, Tal. Kalol, Dist. Gandhinagar, Gujarat- 382771.	Ranakpur	Rs. 50,000/- monthly	3 Years	Ilesh R Patel	Used as Manufacturing Rubber based adhesives

INTELLECTUAL PROPERTY RIGHTS:

As on date of the DLOF the details of Intellectual Property Rights for various products of our Company under Trade Mark Act, 1999 in name of our Company are as follows:

Sr. No.	Authority Granting Approval	Approval/ Registration No.	Applicable Laws	Nature Of Approvals	Validity
1.	Registrar of Trade Marks	Trade Mark No.: 3023396	Trade Marks Act, 1999	Certificate of Registration of Trade Mark "YUG"	Valid up to August 04, 2025.
2.	Registrar of Trade	Trade Mark No.: 4814562 	Registrar of Trade	Certificate of Registration of Trade Mark	Valid up to January 10, 2031
3.	Registrar of Trade Marks	Trade Mark No.: 1266161 Label "GOLD BOND" 	Trade Marks Act, 1999	Certificate of Registration of Trade Mark —GOLD BOND"	Valid up to February 11, 2034.
4.	Registrar of Trade Marks	Trade Mark No.: 1221985 Label "BISON BOND EC" 	Trade Marks Act, 1999	Certificate of Registration of Trade Mark "BISON BOND"	Valid up to August 11, 2033.
5.	Registrar of Trade Marks	Trade Mark No.: 1219055 Label "BISON BOND"	Trade Marks Act, 1999	Certificate of Registration of Trade Mark "YUG"	Valid up to July 31, 2033.
6.	Registrar of Trade Marks	Trade Mark No.: 2008504 Label "WOODGLUE"	Trade Marks Act, 1999	Certificate of Registration of Trade Mark "WOODGLUE"	Valid up to August 13, 2030.
7.	Registrar of Trade Marks	Trade Mark No.: 3268178 Label "HEATPROPLUS"	Trade Marks Act, 1999	Certificate of Registration of Trade Mark "HEATPROPLUS"	Valid Upto December 14, 2029
8.	Registrar of Trade Marks	Trade Mark No.: 1509334 Label "SUPERJOR"	Trade Marks Act, 1999	Certificate of Registration of Trade Mark	Valid Upto December 1, 2026

9.	Registrar of Trade Marks	Trade Mark No.: 4377454 Label YUGCOL ULTRA	Trade Marks Act,1999	Certificate of Registration of Trade Mark	Valid Upto December 14, 2029
10.	Registrar of Trade Marks	Trade Mark No.: 1625328 Label 	Trade Marks Act,1999	Certificate of Registration of Trade Mark	Valid Upto November 28, 2027
11.	Registrar of Trade Marks	Trade Mark No.: 1497704 Label YUG COL	Trade Marks Act,1999	Certificate of Registration of Trade Mark	Valid Upto October 19, 2026
12.	Registrar of Trade Marks	Trade Mark No.: 5064154 Label 	Trade Marks Act,1999	Certificate of Registration of Trade Mark	Valid Upto February 03, 2033

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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 Draft Letter of Offer, Our Company has five (5) Directors consisting of one (1) Managing Director, one (1) Whole Time Director, one (1) Non-Executive Director and two (2) Non-Executive 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 Draft Letter of Offer:

S. No.	Name, Father's, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality & DIN	No. of Equity Shares held & % of Share holding (Pre-Issue)	Other Directorships/ Designated Partner
1.	Mr. Chandresh S. Saraswat Age: 57 Years Designation: Managing Director Address: Flat No. 7, Abhikram, 27, Inqilab Society, Gulbai Tekra, Ambawadi, Ahmedabad- 380 015 Term: Appointed on June 19, 2007 and thereafter appointed as Managing Director w.e.f February 07, 2017 for a period of 5 years upto February 06, 2022. Again re-appointed as a Managing Director w.e.f February 7, 2022 upto February 6, 2027 for a further period of 5 years. Occupation: Business Nationality: Indian DIN: 01475370	17,35,851 Equity Shares; 24.13 % of Pre-Issue Paid up capital	NIL
2.	Ms. Ankita Chandresh Saraswat Age: 32 Years Designation: Whole-Time Director Address: Flat No. 7, Abhikram, 27, Inqilab Society, Gulbai Tekra, Ambawadi, Ahmedabad- 380 015 Term: July 28, 2012 and thereafter appointed as Whole- Time Director w.e.f. February 07, 2017 for a period of 5 years from i.e. up to February 06, 2022. Again, re-appointed as a Whole-Time Director w.e.f. February 7, 2022 upto February 6, 2027 for a further period of 5 years. Occupation: Business Nationality: Indian DIN: 05342198	2,61,625 Equity Shares; 3.64% of Pre-Issue Paid up capital	NIL
3.	Mr. Santosh Kumar Saraswat Age: 82 Years Designation: Non-Executive Director Address: Flat No. 7, Abhikram, 27, Inqilab Society, Gulbai Tekra, Ambawadi, Ahmedabad- 380 015 Term: June, 2003. Appointed as Non-executive Director w.e.f. February 7, 2017. (Liable to retire by rotation) Occupation: Business Nationality: Indian DIN: 00236008	8,01,506 Equity Shares; 11.14% of Pre-Issue Paid up capital	NIL
4.	Mr. Abhay Rameshchandra Shrivastava Age: 60 Years Designation: Independent Director	NIL	NIL

	Address: 1101, Greenwood CHS, Sandoz Baug, Hiranandani Estate, Thane West – 400 607, Maharashtra, India Term: February 07, 2017. Appointed as Non-Executive Independent Director w.e.f. February 07, 2017 for a period of 5 years from i.e. up to February 06, 2022 and again, re-appointed for a second term of 5 years w.e.f. February 7, 2022 upto February 6, 2027 a Non-Executive Independent Director. Occupation: Business Nationality: Indian DIN: 07719944		
5.	Mr. Rajesh Shah Age: 60 Years Designation: Independent Director Address: Flat-14 Sthapatya Appartment, Pushpakunj Co-Op H Society, Kankaria, Maninagar, Ahmedabad – 380 028, Gujarat, India Term: August 6, 2021. Appointed as Non-Executive Independent Director for a period of 5 years w.e.f. September 10, 2021 upto September 9, 2026. Occupation: Business Nationality: Indian DIN: 09254647	NIL	NIL

Past Directorships in suspended companies

None of our Directors are, or were a director of any listed company, whose shares have been, or none of our directors 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 Draft Letter of Offer.

Past Directorships in delisted companies

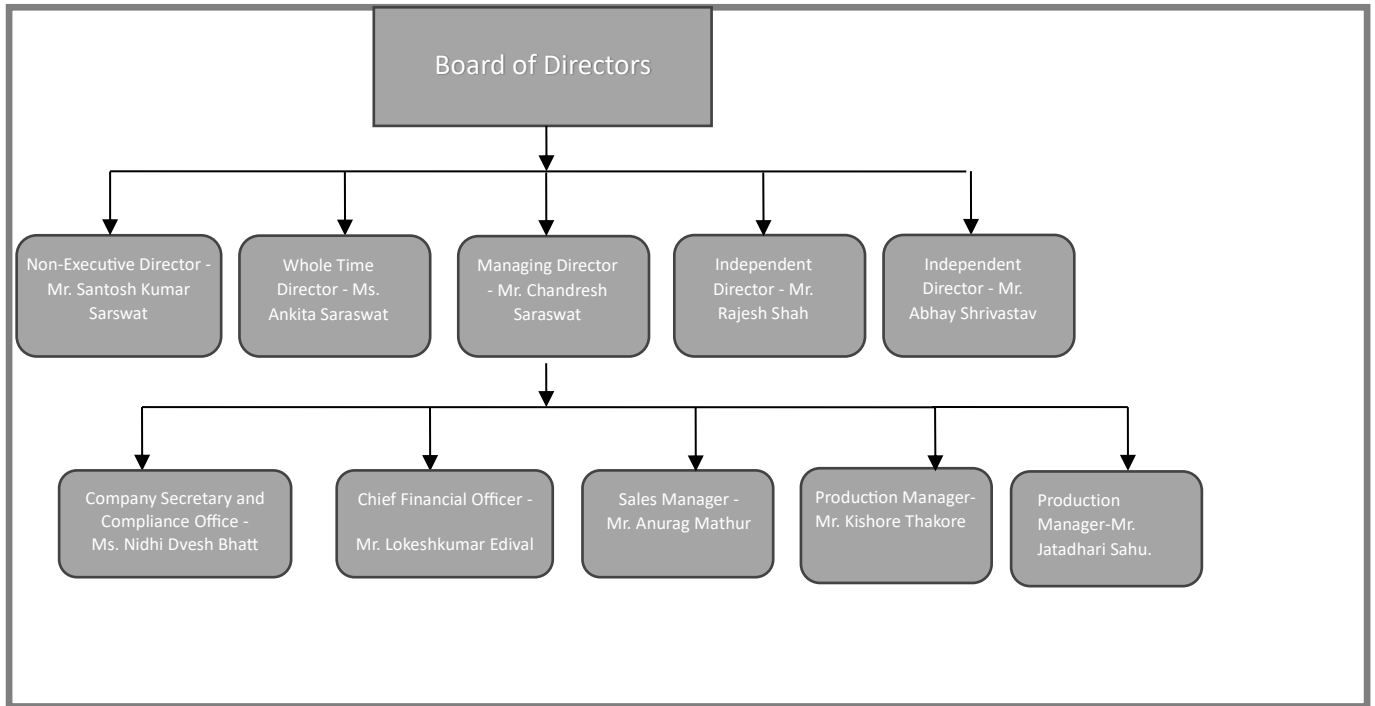
None of our Directors are or were a director of any listed company, which has been, or none of our directors were delisted from any stock exchange during the term of their directorship in such Company during the last 10 (Ten) years preceding the date of this Draft Letter of Offer.

SENIOR MANAGEMENT AND KEY MANAGERIAL PERSONNEL

Set forth below are the details of our senior management and key managerial personnel:

Name	Designation	Associated with Company since
Mr. Chandresh S. Saraswat	Managing Director	2007
Mr. Santoshkumar Saraswat	Non-Executive Director	Since inception of the company
Ms. Ankita Saraswat	Whole-Time Director	2012
Mr. LokeshkumarEdival	Chief Financial Officer	2017
Mrs. Nidhi Bhatt	Company Secretary	2022
Mr. Anurag Mathur	Senior Sales Manager	2022
Mr. Jatadhari Sahu	Production Manager	2006
Mr. Kishore Thakore	Production Manager	2008

ORGANISATIONAL STRUCTURE



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SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr No.	Particulars	Page No
1.	Unaudited Financial Results for the half year ended September 30, 2023	F-1 to F-16
2.	Audited Financial Statements as at and for the year ended March 31, 2023	F-17 to F-88



Pankaj Shah B. Com., F.C.A., A.C.S.

Dhaval Shah B. Com., A.C.A.

Pankaj K. Shah Associates

Chartered Accountants

305 - 306, ADDOR AMBITION, BESIDES VIMAL HOUSE

NEAR LAKHUDI CIRCLE, NAVRANGPURA AHMEDABAD - 380 014

PH. : (079) 26562980 | M. : 9104949671 | E-mail : pshah2908@gmail.com

Independent Auditor's Review Report on the half year ended Financial Results of YUG DECOR LIMITED pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Limited Review Report to

The Board of Directors,
Yug Decor Limited
709-714, Sakar-V,
B/h Natraj Cinema,
Ashram Road, Ahmedabad- 380 009.

Re:- Report on Financial Results for the Half year ended on 30th September, 2023

We have reviewed the accompanying statement of unaudited Standalone Financial Results of **M/s. Yug Decor Limited** for the half year ended on 30th September, 2023 ("the Statement") and the Statement of Assets and Liabilities as on that date attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the standard on review engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditors of the Entity" issued by the Institute of Chartered Accountants of India. 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 is limited primarily to inquiries of Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of Securities and Exchange board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.



Place : Ahmedabad
Date : 08.11.2023

For, Pankaj K. Shah Associates
Chartered Accountants

FRN: 107352W

Pankaj K. Shah

Pankaj K. Shah
Partner

(ICAI Mem. No. 34603)

UDIN:- 23034603BGVATR9047

YUG DECOR LIMITED

Regd. Office : 709-714, SAKAR-V, B/H NATRAJ CINEMA, ASHRAM ROAD, AHMEDABAD, GUJARAT-380 009
website: www.yugdecor.com e-mail: account@yugdecor.com CIN: L24295GJ2003PLC042531

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULT FOR THE HALF YEAR ENDED ON 30/09/2023

(Rs. In Lakh except per share data)

Sr. No.	Particulars	6 Months ended			Financial Year ended
		30/09/2023	31/03/2023	30/09/2022	31/03/2023
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Revenue				
	Revenue From Operations	1,397.61	1,565.11	1,554.24	3,119.35
	Other Income	2.15	2.16	5.16	7.32
	Total Revenue	1,399.76	1,567.27	1,559.40	3,126.67
2	Expenses				
(a)	Cost of materials consumed	886.83	1,053.96	1,263.32	2,317.28
(b)	Purchase of stock-in-trade	12.20	22.99	9.26	32.25
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(13.73)	(5.27)	13.26	7.99
(d)	Employees benefits expenses	188.95	136.64	121.86	258.50
(e)	Finance Costs	17.17	20.80	15.73	36.53
(f)	Depreciation and amortization expense	19.84	21.04	18.40	39.44
(g)	Other Expenses	179.28	171.78	110.04	281.82
	Total Expenses	1,290.54	1,421.94	1,551.87	2,973.81
3	Profit / (Loss) before exceptional Items (1-2)	109.22	145.33	7.53	152.86
4	Exceptional Items	-	-	-	-
5	Profit / (Loss) before extraordinary items and tax (3-4)	109.22	145.33	7.53	152.86
6	Extraordinary items	-	-	-	-
7	Profit/ (Loss) before tax (5-6)	109.22	145.33	7.53	152.86
8	Tax expenses		-		
	a) Current Tax	30.69	39.98	1.93	41.91
	b) Deferred Tax	(1.80)	(3.20)	(0.03)	(3.23)
9	Net Profit/ (Loss) for the period from continuing operations (7-8)	80.33	108.55	5.63	114.18
10	Profit/ (Loss) from discontinuing operations	-	-	-	-
11	Tax expense of discontinuing operations	-	-	-	-
12	Profit/ (Loss) from discontinuing operations (after tax) (10-11)	-	-	-	-
13	Profit/ (Loss) for the period (9+12)	80.33	108.55	5.63	114.18
14	Earnings Per Share (Not Annualised)				
	a) Basic (Rs.)	1.28	1.74	0.09	1.83
	b) Diluted (Rs.)	1.28	1.74	0.09	1.83



For and on behalf of the Board of Directors
YUG DECOR LIMITED


Chandresh S. Saraswat

Chairman and Managing Director
DIN: 01475370

Place : Ahmedabad
Date: 8th November, 2023

YUG DECOR LIMITED

Regd. Office : 709-714, SAKAR-V, B/H NATRAJ CINEMA, ASHRAM ROAD, AHMEDABAD, GUJARAT-380 009.
website: www.yugdecor.com e-mail: account@yugdecor.com CIN: L24295GJ2003PLC042531

STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Lakh)

Particulars	As at 30/09/2023 Unaudited	As at 31/03/2023 Audited
I. EQUITY AND LIABILITIES		
1 Shareholders' funds	824.38	744.06
(a) Share Capital	625.46	625.46
(b) Reserves and Surplus	198.92	118.60
(c) Money Received against share warrants	-	-
2 Share Application money pending allotment	-	-
3 Non- Current Liabilities	145.10	181.04
(a) Long Term Borrowings	98.39	141.49
(b) Deferred Tax Liability (Net)	-	-
(c) Other Long Term Liabilities	25.12	19.35
(d) Long Term Provisions	21.59	20.20
4 Current Liabilities	709.46	654.58
(a) Short Term Borrowings	182.82	125.51
(b) Trade Payable		
Total outstanding dues to Micro and Small Enterprises	22.39	17.96
Total outstanding dues of creditors other than Micro and Small Enterprises	444.53	439.90
(c) Other Current Liabilities	54.26	54.49
(d) Short Term Provisions	5.46	16.72
TOTAL	1,678.94	1,579.68
II. ASSETS		
1 Non- Current Assets	263.71	276.96
(a) Property, Plant and Equipment		
i) Tangible Assets	240.39	252.30
ii) Intangible Assets	0.21	0.25
iii) Capital Work in Progress	-	-
iv) Intangible assets under development	-	-
(b) Non- Current Investment	-	-
(c) Deferred Tax Assets (Net)	19.97	18.17
(d) Long Term Loans and Advances	3.14	6.24
(e) Other Non- Current Assets	-	-
2 Current Assets	1,415.23	1,302.72
(a) Current Investments	-	-
(b) Inventories	198.03	145.24
(c) Trade Receivables	1,187.74	1,125.78
(d) Cash and Cash Equivalents	1.11	1.57
(e) Short Term Loans and Advances	28.35	30.13
(f) Other Current Assets	-	-
TOTAL	1,678.94	1,579.68



Place : Ahmedabad
Date: 8th November, 2023

For and on behalf of the Board of Directors
YUG DECOR LIMITED


Chandresh S. Saraswat
Chairman and Managing Director
DIN: 01475370

YUG DECOR LIMITED

Regd. Office : 709-714, SAKAR-V, B/H NATRAJ CINEMA, ASHRAM ROAD, AHMEDABAD, GUJARAT-380 009.
website: www.yugdecor.com e-mail: account@yugdecor.com CIN: L24295GJ2003PLC042531

Cash Flow Statement for half year ended on 30/09/2023

Particulars	(Rs. In Lakh)	
	For the half year ended	For the year ended
	30-Sep-23	31-Mar-23
A Cash flows from operating activities:		
Net profit/ (Loss) before taxation and extraordinary items	109.22	152.86
Adjustments for:		
Depreciation and Amortisation	19.84	39.44
(Profit)/Loss on sale of assets [Net]	-	(1.44)
Interest income	-	(0.63)
Interest expenses	17.17	36.53
Bad debts written off/ Doubtful Debt Provision	7.32	30.98
Provisions for employee benefits	1.39	(0.27)
Total	45.72	104.61
Operating profit before working capital changes	154.94	257.47
Adjustments for:		
[Increase]/ Decrease in Trade Receivables	(69.28)	(88.97)
[Increase]/ Decrease in Inventories	(52.79)	31.30
Decrease/ [Increase] in Short Term Loans and Advances	1.79	(25.04)
Decrease/ [Increase] in Long Term Loans and Advances	3.10	10.45
Increase/ [Decrease] in Trade Payables	9.06	(84.63)
Increase/ [Decrease] in Other Current Liabilities	(0.23)	(10.00)
Increase/ [Decrease] in Other Long Term Liabilities	5.77	3.74
Increase/ [Decrease] in Short Term Provision	(11.26)	16.25
Total	(113.84)	(146.90)
Cash generated from operations	41.10	110.57
Direct taxes paid [Net of refunds]	(30.69)	(41.91)
Net cash from operating activities	10.41	68.66
B Cash flows from investing activities:		
Sale/ [Purchase] of Fixed Assets (Net)	(7.90)	(48.06)
Interest received	-	0.63
Net cash from investing activities	(7.90)	(47.43)
C Cash flows from financing activities:		
Long Term Borrowings[Net]	(43.10)	20.09
Short Term Borrowings [Net]	57.31	(4.63)
Interest paid	(17.17)	(36.53)
Net cash used in financing activities	(2.96)	(21.07)
Net increase/ [decrease] in cash and cash equivalents	(0.45)	0.16
Cash and cash equivalents at the beginning	1.57	1.41
Cash and cash equivalents at the end	1.12	1.57

Notes to the Cash Flow Statement

- 1 Cash Flow statement has been prepared by following Indirect method.
- 2 All figures in brackets are outflows.
- 3 Previous year's figures have been regrouped wherever necessary.

For and on behalf of the Board of Directors
YUG DECOR LIMITED



Chandresh S. Saraswat
Chandresh S. Saraswat

Chairman and Managing Director
DIN: 01475370

Place : Ahmedabad
Date: 8th November, 2023

YUG DECOR LIMITED

Regd. Office : 709-714, SAKAR-V, B/H NATRAJ CINEMA, ASHRAM ROAD, AHMEDABAD, GUJARAT-380 009.
website: www.yugdecor.com e-mail: account@yugdecor.com CIN: L24295GJ2003PLC042531

NOTES:

- 1 The above results have been reviewed by the Audit Committee and thereafter approved and taken on record by the Board of Directors at their Meeting held on 8th November, 2023
- 2 The Statutory Auditors have carried out a "Limited Review" of the above financials results for the six months ended 30th September 2023.
- 3 The Company is operating in single segment i.e. Speciality Chemicals-Adhesives and does not have any other identified reportable segment, so reporting as per Accounting Standard -17 (AS-17 Segment Reporting) issued by ICAI, is not applicable to the Company.
- 4 Figures of half year ended 31st March, 2023 are the balancing figures between the audited figures of year ended on 31st March, 2023 and half year ended on 30th September, 2022.
- 5 As per MCA Notification No: G.S.R. 111 (E) dated 16th February, 2015 Companies whose shares are listed on SME exchange as referred to in Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 are exempted from Compulsory requirement of adoption of IND-AS. As the company is covered under exempted category, it has not adopted IND-AS for preparation of financial results.
- 6 The Board of Directors approved the issue of 15 (Fifteen) Bonus Equity Share for every 100 (One Hundred) Equity shares held by Equity Shareholders as on 'Record Date'. The Bonus issue of Equity Shares was approved by Shareholders in their AGM held on 22nd September, 2023 and in-principle approval for the same was received on 25th September, 2023 from BSE Ltd. subject to the other regulatory approvals, as may be required.
- 7 The Board of Directors at it's meeting held on 8th November, 2023 has declared the Interim Dividend of Re 1/- per Equity Share having face value of Rs. 10/- each (i.e. 10%).
- 8 Figures pertaining to previous years/ period have been regrouped/ reworked/ rearranged, reclassified and restated wherever considered necessary, to make them comparable with those of current year/ period.



For and on behalf of the Board of Directors
YUG DECOR LIMITED


Chandresh S. Saraswat

Chairman and Managing Director

DIN: 01475370

Place : Ahmedabad

Date: 8th November, 2023

“Annexure A” to the Independent Auditors’ Report”

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the Standalone financial statements of the Company for the year ended March 31, 2023; we report that

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, the Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) According to the information and explanations given to us and on the basis of our examination of the record of the company, the title deeds of immovable properties are held in the name of the company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.
- 2) (a) The physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such physical verification.
- (b) According to the information and explanations provided to us and based on the verification, the Company has been sanctioned working capital limits on the entire current assets of the company which is less than Rs. 5 Crore and therefore, the requirements under paragraph 3(ii)(b) of the Order is not applicable to the Company.
- 3) According to the information and explanations given to us, the Company has not made any investment and the company has not provided any guarantee or security or granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (f) of the Order are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans and investments.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the products manufactured by the company.
- 7) (a) According to the records of the company and the information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Custom Duty, Goods and Service Tax Act, Cess and other statutory dues, as applicable to it to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and as per records of the Company, disputed amount payable in respect of Income tax, VAT & Custom and Excise Duty that have not been deposited with the appropriate authorities on account of dispute and the forum where the disputes are pending are given below:

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

(*) Rs. 6,61,962/- already paid

- 8) According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- 9) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, as defined in the Act. The Company does not hold any investment in any associate or joint venture (as defined in the Act) during the year ended 31 March 2023.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- 10) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.
- 11) (a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the financial statement for the year ended March 31, 2023, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (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 audit procedures.
- 12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.

- 13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- 15) According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to Company. Accordingly, the provisions stated in paragraph 3(xv) of the Order 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 and accordingly, the provisions stated in paragraph clause 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) The Company does not have any CIC as a part of its group. Hence, the provisions stated in paragraph clause 3 (xvi)(d) of the Order are not applicable to the Company.
- 17) Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.
- 18) There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.
- 19) According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note - 37 to the financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 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) According to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company. Accordingly, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.
- 21) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of financial statements. Accordingly, no comment in respect of the said clause has been included in the report.

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

Place: Ahmedabad
Date: 27.05.2023

(PANKAJ K. SHAH)
PARTNER
M. No.: 34603
UDIN: 23034603BGVANL3000

“Annexure B” to the Independent Auditor’s Report

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

We have audited the internal financial controls over financial reporting of **M/S. YUG DECOR LIMITED** (“the Company”) as of March 31, 2023 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may

become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for Internal Financial control over Financial Reporting established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Ahmedabad
Date: 27.05.2023

(PANKAJ K. SHAH)
PARTNER
M. No.: 34603
UDIN: 23034603BGVANL3000

Balance Sheet as at 31st March, 2023

(Amount in '000 ₹)

	Note No.	As at 31st Mar-23	As at 31st Mar-22
I. EQUITY AND LIABILITIES			
11 Shareholders' funds		74,406.83	62,988.69
(a) Share Capital	1	62,546.49	41,697.66
(b) Reserves and Surplus	2	11,860.34	21,291.03
(c) Money Received against share warrants		-	-
2 Share Application money pending allotment		-	-
3 Non-Current Liabilities		18,103.46	15,747.42
(a) Long Term Borrowings	3	14,148.68	12,139.28
(b) Deferred Tax Liability (Net)	4	-	-
(c) Other Long Term Liabilities	5	1,935.26	1,561.35
(d) Long Term Provisions	6	2,019.52	2,046.79
4 Current Liabilities		65,457.93	73,760.56
(a) Short Term Borrowings	7	12,550.53	13,014.91
(b) Trade Payable			
Total outstanding dues to Micro and Small Enterprises	8	1,796.33	-
Total outstanding dues of creditors other than Micro and Small Enterprises	8	43,989.66	54,248.63
(c) Other Current Liabilities	9	5,448.97	6,449.33
(d) Short Term Provisions	10	1,672.44	47.69
TOTAL		157,968.22	152,496.67
II. ASSETS			
1 Non-Current Assets		27,686.80	27,402.00
(a) Property, Plant and Equipment and Intangible Assets			
i) Property, Plant and Equipment	16	25,229.59	24,205.53
ii) Intangible Assets	16	24.78	42.93
iii) Capital Work in Progress		-	-
iv) Intangible assets under development		-	-
(b) Non- Current Investment		-	-
(c) Deferred Tax Assets (Net)	4	1,816.87	1,493.47
(d) Long Term Loans and Advances	11	615.56	1,660.07
(e) Other Non- Current Assets		-	-
2 Current Assets		130,281.42	125,094.67
(a) Current Investments		-	-
(b) Inventories	12	14,524.41	17,654.28
(c) Trade Receivables	13	112,578.41	106,779.86
(d) Cash and Cash Equivalents	14	156.82	141.29
(e) Short Term Loans and Advances	15	3,021.78	519.24
(f) Other Current Assets		-	-
TOTAL		157,968.22	152,496.67
Significant Accounting Policies and Notes on Financial Statements		1 to 40	

As per our attached report of even date

For, Pankaj K. Shah Associates

FRN- 107352W

CHARTERED ACCOUNTANTS

CA Pankaj K. Shah

Partner

M. No. 34603

Place: AHMEDABAD

Date: 27th May, 2023

UDIN: 23034603BGVANL3000

For and on behalf of the Board of Directors

Chandresh S. Saraswat

Chairman & Managing Director

DIN: 01475370

Nidhi Devesh Bhatt

Company Secretary &

Compliance Officer

Place: AHMEDABAD

Date: 27th May, 2023

Santosh Kumar Saraswat

Director

DIN: 00236008

Lokeshkumar Edival

Chief Financial Officer

Profit and Loss statement for the year ended 31st March, 2023

(Amount in '000 ₹ except per share data)

Particulars	Note No.	For the Financial Year ended on 31 st March, 2023	For the Financial Year ended on 31 st March, 2022
I. Revenue from Operations	17	311,934.81	244,945.54
II. Other Income	18	731.61	91.38
III. Total Income (I + II)		312,666.42	245,036.92
IV. Expenses:			
Cost of Materials Consumed	19	231,727.77	196,528.80
Purchase of Stock-in- Trade	20	3,225.05	1,564.39
Changes in Inventories of Finished Goods, Work in progress and Stock in Trade	21	798.67	(2,487.84)
Employee benefits expenses	22	25,849.91	23,647.14
Financial Costs	23	3,653.08	2,668.14
Depreciation and Amortization Expenses	16	3,943.67	3,972.37
Other Expenses	24	28,182.09	17,770.72
Total Expenses		297,380.24	243,663.72
V. Profit before Tax (III-IV)		15,286.18	1,373.20
VI Tax Expenses:			
1) Current Tax		4,191.43	247.00
2) Earlier year Income Tax		-	68.59
3) Deferred Tax		(323.39)	104.94
VII. Profit (Loss) for the period (V-VI)		11,418.14	952.67
VIII. Earnings per equity share			
1) Basic and Diluted		1.83	0.15
Significant Accounting Policies and Notes on Financial Statements	1 to 40		

As per our attached report of even date

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

CA Pankaj K. Shah
Partner
M. No. 34603

Place: AHMEDABAD
Date: 27th May, 2023
UDIN: 23034603BGVANL3000

For and on behalf of the Board of Directors

Chandresh S. Saraswat
Chairman & Managing Director
DIN: 01475370

Nidhi Devesh Bhatt
Company Secretary &
Compliance Officer

Place: AHMEDABAD
Date: 27th May, 2023

Santosh Kumar Saraswat
Director
DIN: 00236008

Lokeshkumar Edival
Chief Financial Officer

Cash Flow Statement for year ended March 31, 2023

(Amount in '000 ₹)

Particulars	For the year ended 31-Mar-23	For the year ended 31-Mar-22
A. Cash flows from operating activities:		
Net profit before taxation and extraordinary items	15,286.18	1,373.20
Adjustments for:		
Depreciation and Amortisation	3,943.67	3,972.36
(Profit)/Loss on sale of assets [Net]	(143.85)	(23.50)
Interest income	(63.24)	(32.88)
Interest expenses	3,653.08	2,668.14
Bad debts and provision for doubtful debts	3,098.26	513.60
Provisions for employee benefits	(27.27)	65.63
Total	10,460.65	7,163.35
Operating profit before working capital changes	25,746.83	8,536.55
Adjustments for:		
[Increase]/ Decrease in Trade Receivables	(8,896.81)	(20,164.79)
[Increase]/ Decrease in Inventories	3,129.87	(3,762.79)
Decrease/ [Increase] in Short Term Advances	(2,502.54)	311.62
Decrease/ [Increase] in Long Term Advances	1,044.51	(818.97)
Increase/ [Decrease] in Trade Payables	(8,462.64)	11,025.41
Increase/ [Decrease] in Other Current Liabilities	(1,000.36)	3,107.00
Increase/ [Decrease] in Other Long Term Liabilities	373.91	(287.80)
Increase/ [Decrease] in Short Term Provision	1,624.75	(12.08)
Total	(14,689.31)	(10,602.40)
Cash generated from operations	11,057.52	(2,065.85)
Direct taxes paid [Net of refunds]	(4,191.43)	(315.59)
Net cash from operating activities	6,866.09	(2,381.44)
B. Cash flows from investing activities:		
Purchase of Fixed Assets	(5,258.74)	(1,435.97)
Proceeds from sale of fixed assets	453.00	145.00
Interest received	63.24	32.88
Net cash from investing activities	(4,742.50)	(1,258.09)
C. Cash flows from financing activities:		
Long Term Borrowings [Net]	2,009.40	(950.38)
Short Term Borrowings [Net]	(464.38)	6,543.91
Interest Paid	(3,653.08)	(2,668.14)
Net cash used in financing activities	(2,108.06)	2,925.39
Net increase/ [decrease] in cash and cash equivalents	15.53	(714.14)
Cash and cash equivalents at the beginning	141.29	855.43
Cash and cash equivalents at the end	156.82	141.29

Notes to the Cash Flow Statement

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

	As at March 31 2023	As at March 31 2022	As at March 31 2021
a Cash on Hand	156.82	141.29	224.09
b Balances with Banks	-	-	631.34
d Total	156.82	141.29	855.43

As per our attached report of even date

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

CA Pankaj K. Shah
Partner
M. No. 34603

Place: AHMEDABAD
Date: 27th May, 2023
UDIN: 23034603BGVANL3000

For and on behalf of the Board of Directors

Chandresh S. Saraswat
Chairman & Managing Director
DIN: 01475370

Nidhi Devesh Bhatt
Company Secretary &
Compliance Officer

Place: AHMEDABAD
Date: 27th May, 2023

Santosh Kumar Saraswat
Director
DIN: 00236008

Lokeshkumar Edival
Chief Financial Officer

I. COMPANY OVERVIEW:

YUG DECOR LIMITED (the Company) (CIN: L24295GJ2003PLC042531) is a domestic company with registered office situated at 709-714, Sakar-V, B/h Natraj Cinema, Ashram Road, Ahmedabad-380009. The Company is engaged in manufacturing and trading of various types of Specialty Chemicals such as water based adhesives and solvent based adhesives.

II SIGNIFICANT ACCOUNTING POLICIES:

A) i. Accounting basis and Convention:

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

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

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

ii Revenue Recognition:

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

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

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

Export benefits are recognised on receipt basis.

iii. GST & ITC:

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

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

iv. Use of Estimates:

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

B) Property, plant and equipment:

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

C) Intangible assets:

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

D) Depreciation / Amortisation:

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

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

E) Inventories:

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

F) Borrowing cost:

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

G) Income Tax Accounting:

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

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

H) Contingent Liabilities:

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

I) Impairment of Assets:

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

J) Provisions:

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

K) Cash and Cash Equivalents:

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

L) Foreign Currency Transactions:

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

M) Employee Benefits:

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

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

**Notes on Financial Statements for the
Financial Year ended 31st March, 2023**

(Amount in '000)

	As at 31 st Mar-23	As at 31 st Mar-22
1 SHARE CAPITAL		
Authorised 1,10,00,000 (P.Y. 42,50,000) Equity Shares of ₹ 10 each	110,000.00	42,500.00
Issue, Subscribed & Paid up 62,54,649 (P.Y. 41,69,766) Equity Shares of ₹ 10 each	62,546.49	41,697.66

1.1 Details of Shareholders holding more than 5% shares

Name of The Share Holder	As at 31 st Mar-23		As at 31 st Mar-22	
	No. of Shares	% Held	No. of Shares	% Held
Chandresh Saraswat	1,416,075	22.64	944,051	22.64
Santosh Kumar Saraswat	603,604	9.65	535,735	12.85
Abha Saraswat	695,202	11.11	463,468	11.11
Nisha Saraswat	488,949	7.82	313,965	7.53
Chandresh Saraswat HUF	397,380	6.35	260,920	6.26
Santosh Kumar Saraswat HUF	373,440	5.97	248,961	5.97

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

Particulars	As at 31 st Mar-23	As at 31 st Mar-22
Equity Shares at the beginning of the year	4,169,766	4,169,766
Add: Bonus Shares issued	2,084,883	-
Equity Shares at the end of the year	6,254,649	4,169,766

1.3 Rights, Preferences and restrictions attached to shares

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

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

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

Year	Bonus Equity Shares No.
FY 2018-19	NIL
FY 2019-20	NIL
FY 2020-21	NIL
FY 2021-22	NIL
FY 2022-23	2084883

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

1.5 Shares held by Promoters

Sr. No.	Name of Promoters	As at 31 st 31-03-2023		As at 31 st 31-03-2022		% Change during the year
		No. of Shares	% Held	No. of Shares	% Held	
1	Chandresh S. Saraswat	1,416,075	22.64	944,051	22.64	(0.00)
2	Santosh Kumar Saraswat	603,604	9.65	535,735	12.85	(3.20)

**Notes on Financial Statements for the
Financial Year ended 31st March, 2023**

(Amount in '000)

	As at 31 st Mar-23	As at 31 st Mar-22
2 RESERVES AND SURPLUS		
Securities Premium		
As per Last Balance Sheet	17,007.21	17,007.21
Less: Utilised for Bonus Shares issue	(17,007.21)	-
Closing Balance	-	17,007.21
Total (A)		
Profit and Loss Account Balance		
As per Last Balance Sheet	4,283.82	3,331.15
Add: Profit/(Loss) for the year	11,418.14	952.67
Less: Utilised for Bonus Shares Issue	(3,841.62)	-
Closing Balance	11,860.34	4,283.82
Total (B)	11,860.34	21,291.03
3 LONG TERM BORROWINGS		
SECURED		
HDFC Bank Limited	116.92	383.29
- against hypothecation of a Vehicle		
Repayable on monthly basis by August, 2024		
Indusind Bank Limited	10,402.55	11,755.99
- Secured against mortgage of immovable property or interest		
therein situated at Office No. 709-714, Sakar-V, Ashram Road,		
Ahmedabad-380 009		
Repayable on monthly basis by January, 2033		
UNSECURED		
ICICI Bank Limited	2,793.21	-
Kotak Mahindra Bank	836.00	-
Total	14,148.68	12,139.28
4 DEFERRED TAX ASSET / (LIABILITY)		
Deferred Tax Asset	1,816.87	1,493.47
Deferred Tax Liability	-	-
	1,816.87	1,493.47
5 OTHER LONG TERM LIABILITIES		
Security Deposits (Trade)	1,935.26	1,561.35
Total	1,935.26	1,561.35
6 LONG TERM PROVISIONS		
Provision for Gratuity	2,019.52	2,046.79
Total	2,019.52	2,046.79
7 SHORT TERM BORROWINGS		
SECURED		
<u>Loans repayable on Demand</u>		
Indian Bank (Erstwhile Allahabad Bank)	8,001.07	11,342.66
- Primarily secured against hyphothecation charge over entire		
Current Assets of the Company both Present and Future		
- Collaterally secured against mortgaged against Factory Land and building		
situated at Santej, Dist-Gandhinagar and hypothecation of existing Plant		
and Machineries of the Company having W.D.V. RS.11.02 Lakhs.		
- CGTMSE Coverage under Hybrid Scheme		

**Notes on Financial Statements for the
Financial Year ended 31st March, 2023**

(Amount in '000)

	As at 31 st Mar-23	As at 31 st Mar-22
7 SHORT TERM BORROWINGS (Contd.....)		
SECURED		
Current Maturities of Long Term Borrowings (Note 3)		
HDFC Bank Limited	268.36	250.67
Indusind Bank Limited	1,121.67	736.37
Yes Bank Limited	-	685.21
ICICI Bank Limited	1,662.34	-
Kotak Mahindra Bank	1,497.09	-
	12,550.53	13,014.91
8 TRADE PAYABLES		
Trade Payable ageing schedule		
(i) MSME (Refer Note 37)		
Not due	1,796.33	-
Less than 1 Year, 1-2 Year, 2-3 Years and More than 3 Years	-	-
(ii) DISPUTED DUE- MSME		
Less than 1 Year, 1-2 Year, 2-3 Years and More than 3 Years	-	-
Total (A)	1,796.33	-
(iii) OTHER THAN MSME		
Not due	43,989.66	54,248.63
Less than 1 Year, 1-2 Year, 2-3 Years and More than 3 Years	-	-
(iv) DISPUTED DUE- OTHERS THAN MSME		
Less than 1 Year, 1-2 Year, 2-3 Years and More than 3 Years	-	-
Total (B)	43,989.66	54,248.63
Total (A+B)	45,785.99	54,248.63
9 OTHER CURRENT LIABILITIES		
Advance from Customers	-	2,831.63
Duties and Taxes	2,124.77	1,575.61
Creditor for Expenses	3,324.20	2,042.09
	5,448.97	6,449.33
10 SHORT TERM PROVISION		
Provision for Income Tax (Net of Advance Tax)	1,639.86	-
Provision for Employee Benefits	32.58	47.69
	1,672.44	47.69
11 LONG TERM LOANS AND ADVANCES		
Capital Advance	-	800.00
Advances recoverable in Cash or Kind or for value to be received	321.22	661.96
Prepaid Expenses	70.20	78.97
Security Deposits	224.14	119.14
	615.56	1,660.07
12 INVENTORIES		
(As valued and cerified by the Management)		
Raw Materials	6,698.22	8,846.67
Packing Materials	2,437.59	2,686.49
Work in Progress	855.15	553.43
Traded Goods	42.60	117.48
Finished Goods	4,312.56	5,338.06
Consumables	178.29	112.15
	14,524.41	17,654.28

**Notes on Financial Statements for the
Financial Year ended 31st March, 2023**

(Amount in '000)

	As at 31 st Mar-23	As at 31 st Mar-22
13 TRADE RECEIVABLES		
Total Amount	112,578.41	106,779.86
	112,578.41	106,779.86
(Unsecured)		
Trade Receivable ageing schedule		
(i) Undisputed Trade Receivable- Considered good		
Not Due	76,606.18	72,247.59
Less than 6 Months	24,067.32	19,741.36
6 Months - 1 Year	7,163.59	5,021.69
1 year - 2 Years	3,754.03	4,664.01
2 year - 3 Years	526.51	4,839.14
More than 3 Years	460.78	266.07
Total (A)	112,578.41	106,779.86
(ii) Undisputed Trade Receivable- Considered doubtful		
Less than 6 Months	59.62	-
6 Months - 1 Year	170.23	-
1 year - 2 Years	1,019.95	-
2 year - 3 Years	381.12	160.11
More than 3 Years	267.68	522.29
Less: Provision for Doubtful Debt	(1,898.60)	(682.40)
Total (B)	-	-
(iii) Disputed Trade Receivable- Considered good		
Less than 6 Months, 6 Months - 1 Year, 1 year - 2 Years, 2 year - 3 Years and More than 3 Years	-	-
Total (C)	-	-
(iv) Disputed Trade Receivable- Considered doubtful		
Less than 6 Months, 6 Months - 1 Year, 1 year - 2 Years, 2 year - 3 Years and More than 3 Years	-	-
Total (D)	-	-
Total	112,578.41	106,779.86
14 CASH AND BANK BALANCES:		
Cash and Cash Equivalent		
Cash on Hand	156.82	141.29
- (As certified by the Management)		
	156.82	141.29
15 SHORT TERM LOANS AND ADVANCES:		
(Unsecured considered Good)		
Advances recoverable in Cash or Kind or for value to be received	3,016.60	274.50
Balance with Government Authority	5.18	244.74
	3,021.78	519.24

Notes on Financial Statements for the Financial Year ended 31st March, 2023

16 FIXED ASSETS AND DEPRECIATION:

(Amount in '000 ₹)

Description	Gross Block				Depreciation			Net Block		
	Opening 01.04.2022	Addition adjustment during the year	(Deduction) adjustment during the year	As on 31.03.2023	Opening 01.04.2022	Addition adjustment during the year	(Deduction) adjustment during the year	Upto 31.03.2023	As at 31.03.2023	As at 31.03.2022
Tangible Asset										
Free Hold Land (Factory Land)	276.70	-	-	276.70	-	-	-	-	276.70	276.70
Office Building	26,430.25	-	-	26,430.25	8,921.99	1,664.32	-	10,586.31	15,843.94	17,508.26
Factory Building	2,117.98	-	-	2,117.98	1,661.24	42.69	-	1,703.93	414.05	456.74
Plant and Machinery	7,268.76	2,898.88	-	10,167.64	5,755.51	546.67	-	6,302.18	3,865.46	1,513.25
Furniture & Fixtures	3,953.45	36.10	(3.20)	3,986.35	2,833.59	295.21	(3.08)	3,125.72	860.63	1,119.86
Vehicles	8,722.30	2,111.30	(1,633.29)	9,200.31	5,478.20	1,278.59	(1,324.26)	5,432.54	3,767.77	3,244.09
Computer & Printer	483.29	205.96	-	689.25	442.59	78.99	-	521.58	167.67	40.70
Office Equipment	542.12	6.50	-	548.62	496.19	19.04	-	515.24	33.38	45.93
Subtotal	49,794.85	5,258.73	(1,636.49)	53,417.09	25,589.31	3,925.52	(1,327.34)	28,187.50	25,229.60	24,206.00
Intangible Asset										
Trademarks	124.40	-	-	124.40	101.52	6.60	-	108.12	16.28	22.88
Software	170.00	-	-	170.00	149.95	11.55	-	161.50	8.50	20.05
Subtotal	294.40	-	-	294.40	251.47	18.15	-	269.62	24.78	42.93
Total :-	50,089.25	5,258.73	(1,636.49)	53,711.49	25,840.79	3,943.67	(1,327.34)	28,457.12	25,254.38	24,248.93
Capital Work-in-Progress	-	-	-	-	-	-	-	-	-	-
Previous Year 2021-22	49,175.54	1,435.97	(522.27)	50,089.25	22,269.19	3,972.36	(400.77)	25,840.79	24,248.46	26,905.87

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

Note - 2. One Car is registered in the name of a Director having Gross Block Rs. 4,173.73 ('000) [PY Rs. 4,173.73 ('000)] and Net Block Rs. 1,135.53/- [PY Rs. 1,655.15('000)]

**Notes on Financial Statements for the
Financial Year ended 31st March, 2023**

(Amount in '000)

	For the year ended 31-Mar-23	For the year ended 31-Mar-22
17 REVENUE FROM OPERATIONS		
(A) Sales of Products	311,838.90	239,150.70
(B) Other Operating Income		
Commission Income	-	5,689.82
Export Incentives	95.91	105.02
	311,934.81	244,945.54
18 OTHER INCOME		
Interest Income	63.24	32.88
Profit on Sale of Fixed Assets	143.85	23.50
Bad Debt Recovery	524.52	35.00
	731.61	91.38
19 COST OF MATERIAL CONSUMED		
Raw Materials		
Opening Stock	8,846.67	7,329.43
Add : Purchase	198,875.80	170,042.58
Add: Freight Inward	1,047.42	1,162.61
	208,769.89	178,534.62
Less: Closing Stock	6,698.22	8,846.67
Total (A)	202,071.67	169,687.95
Packing Materials		
Opening Stock	2,686.49	2,550.75
Add : Purchase	29,340.12	26,913.95
Add: Packing Expenses	67.08	62.64
	32,093.69	29,527.34
Less: Closing Stock	2,437.59	2,686.49
Total (B)	29,656.10	26,840.85
Total Cost of Material Consumed (A+B)	231,727.77	196,528.80
20 PURCHASE OF STOCK IN TRADE		
Purchase	3,225.05	1,564.39
	3,225.05	1,564.39
21 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE		
Opening Balance		
Finished Goods- Traded	117.48	347.74
Finished Goods- Manufactured	5,338.06	2,297.56
Work-In- Progress	553.44	875.84
	6,008.98	3,521.14
Closing Balance		
Finished Goods- Traded	42.60	117.48
Finished Goods- Manufactured	4,312.56	5,338.06
Work-In-Progress	855.15	553.44
	5,210.31	6,008.98
Decrease/ (Increase) in Stock	798.67	(2,487.84)

**Notes on Financial Statements for the
Financial Year ended 31st March, 2023**

(Amount in '000)

	For the year ended 31-Mar-23	For the year ended 31-Mar-22
22 EMPLOYEE BENEFIT EXPENSES		
Salary, Wages and Bonus	25,579.29	23,227.43
Contribution to Provident and Other Fund (Refer note 26a)	278.52	325.86
Workmen Compensation Insurance	18.73	18.73
Gratuity Expenses (Refer note 26b)	(27.27)	65.63
Staff Welfare	0.64	9.49
	25,849.91	23,647.14
23 FINANCE COST		
Interest Expenses		
Working Capital and Term Loans	3,357.82	2,435.36
Others	295.26	232.78
	3,653.08	2,668.14
24 OTHER EXPENSES		
1 Consumption of Stores and spare parts	39.03	42.85
2 Power & fuel	1,512.53	1,430.83
3 Rent Expenses*	750.00	821.88
4 Rates & Taxes	459.54	118.84
5 Auditor Remuneration (Refer note 27)	90.00	80.00
6 Bank Charges	128.84	134.96
7 Conveyance	151.05	54.20
8 Commission Expenses	1,748.84	1,433.75
9 Petrol/Diesel Delivery Vehicles	671.38	504.23
10 Insurance	214.07	174.55
11 Electricity Expenses	169.41	150.56
12 Freight & Clearance Expenses	7,222.27	5,186.51
13 General Charges	359.75	308.70
14 Legal & Professional Fees	555.89	480.40
15 Postage & Courier	107.76	91.04
16 Printing & Stationary	128.96	116.62
17 Scheme, Sample, Rebate & Discount	2,958.20	1,973.06
18 Repairs & Maintenance		
Building	654.32	80.40
Plant and Machinery	515.60	232.79
Others	304.29	232.93
19 Telephone, Mobile and internet charges	276.85	226.37
20 Exchange Loss / (Gain)	(54.98)	97.96
21 Advertisement & Sales Promotion Expenses	470.87	351.44
22 Travelling Expenses	4,661.10	2,932.25
23 Bad Debt Written Off	1,882.05	1,415.10
24 Provision/ (Write back) for Doubtful Debts (net)	1,216.21	(901.50)
25 Share Capital Increase Expenses	988.26	-
	28,182.09	17,770.72

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

**Notes on Financial Statements for the
Financial Year ended 31st March, 2023**

(Amount in '000)

25 (a) Contingent Liabilities (to the extend not provided for)

Claims against the company not acknowledged as debts

- Value Added Tax (Gujarat) FY 2012-13

The company is in second appeal in regard to assessment made against which Rs. 321.22 ('000) previous year Rs. 661.96 ('000) is already paid under protest and shown in long term loans and advances as advances recoverable in cash or kind.

Current Year	Previous Year
321.22	625.28

(b) Estimated amount of contracts remaining to be executed on capital account

- Commitments (Net of Advance)

Current Year	Previous Year
-	175.00

26 Employee Benefits

a) Defined Contribution Plan:

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

b) Defined Benefit Plan:

As per revised Accounting Standard 15 (AS-15) "Employee Benefits", The Company has recognised in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation as on 31st March, 2023.

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

Particulars	Current Year	Previous Year
Current Service Cost	375.96	405.91
Interest Cost	151.46	134.72
Expected Return of Plan Assets	-	-
Net actuarial losses (gains) recognised in the year	(554.69)	(475.00)
Expenses recognised in Statement of Profit and Loss	(27.27)	65.63

(ii) Movement in present value of defined benefit obligation

Particulars	Current Year	Previous Year
Obligation at the beginning of the year	2,046.79	1,981.16
Current Service Cost	405.91	405.91
Interest Cost	134.72	134.72
Benefit paid	-	-
Actuarial losses/ (gain)	(475.00)	(475.00)
Present Value of Benefit obligation at the end of year	2,112.42	2,046.79

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

Particulars	Current Year	Previous Year
Present Value of Obligation	2,112.42	2,046.79
Fair Value of Plan Assets	-	-
Net Liability/ (Asset) recognised	2,112.42	2,046.79

**Notes on Financial Statements for the
Financial Year ended 31st March, 2023**

(Amount in '000)

27 Auditors Remuneration (Exclusive of Tax)

Particulars	Current Year	Previous Year
Statutory Audit Fees	90.00	80.00
Certification Fee	-	5.00
Total	90.00	85.00

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

Particulars	Current Year	Previous Year
(a) Salary	1,768.50	1,320.00
(b) Bonus	147.33	109.96
Total	1,915.83	1,429.96

29 Pursuant to Accounting Standard (AS) 22 "Accounting for Taxes on Income", the Component and classification of deferred tax assets and liabilities on account of timing differences as on 31st March, 2023 and 31st March, 2022 are given below:

Deferred Tax Liability/(Asset) -Net

Particulars	Current Year	Previous Year
Deferred Tax Liability	-	-
Deferred Tax (Assets)	(1,816.87)	(1,493.47)
Deferred Tax Liability/(Assets) - Net	(1,816.87)	(1,493.47)

Component of Deferred tax Liabilities/ (Assets)

Particulars	Opening balance	Charge/(Credit) in Profit or Loss	Closing balance
Property, Plant and Equipments	(806.54)	(24.14)	(830.68)
Provisions	(686.93)	(299.26)	(986.19)
Total	(1,493.47)	(323.40)	(1,816.87)

30 Related Party Disclosure:

1. Name of the related parties and their relationships:

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

**Notes on Financial Statements for the
Financial Year ended 31st March, 2023**

(Amount in '000)

2. Transaction during the year

Particulars	Current Year	Previous Year
(a) Remunerations, Allowances and Bonus		
Chandresh S. Saraswat	1,185.14	714.98
Ankita Saraswat	730.69	714.98
Lokeshkumar Edival	660.01	621.67
Barkha C. Lakhani (upto 16.09.2021)	-	155.23
Nidhi Devesh Bhatt (w.e.f. 08.03.2022)	428.00	26.07
Pooja Saraswat	306.49	276.25
(b) Director Sitting Fee		
Santosh Kumar Saraswat	12.50	10.00
Abhay Shrivastava	12.50	10.00
Zarna Shah (upto 06.08.2021)	-	2.50
Rajesh G. Shah (w.e.f. 06.08.2021)	12.50	7.50
Total	3,347.83	2,539.18

31 Earning per share (EPS)

Particulars	Current Year	Previous Year
(a) Net Profit after Tax available for Equity Shareholders (Rupees)	11,418,140	952,674
(b) Weighted average number of Shares at beginning	6,254,649	6,254,649
(c) Basic and Diluted Earning per Share (Rupees)	1.83	0.15

32 Other Expenditure in Foreign Currency

Particulars	Current Year	Previous Year
Foreign Currency Remittance Charges	29.54	13.30
Total	29.54	13.30

33	Earning in Foreign Exchange - FOB Export [Including Deemed Export of 14.89 ('000)- PY- 37.30 ('000)]	7,392.66	8,115.83
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Notes on Financial Statements for the Financial Year ended 31st March, 2023

34 Ratios

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for Variance above 25%
Current Ratio	Current Assets	Current Liabilities	1.99	1.70	17.06%	N.A.
Debt- Equity Ratio	Total Debt	Shareholder's Equity	1.12	1.42	-21.13%	N.A.
Debt Service Coverage Ratio	Earnings available for Debt Service	Debt Service	0.64	0.15	326.67%	Refer note(a)
Return on Equity Ratio	Net profit after tax	Average Shareholder's equity	15.35%	1.51%	914.62%	Refer note(b)
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	14.65	12.40	18.15%	N.A.
Trade Receivable Turnover Ratio	Net credit sales	Average account receivable	2.84	2.53	12.25%	N.A.
Trade Payable Turnover Ratio	Net credit purchases	Average Account Payable	4.65	4.12	12.86%	N.A.
Net Capital Turnover Ratio	Net Sales	Working Capital	4.81	4.77	0.84%	N.A.
Net Profit Ratio	Net Profit	Net Sales	3.65%	0.39%	839.30%	Refer note(c)
Return on Capital Employed	Earning before interest and tax	Capital Employed	20.47%	5.13%	299.03%	Refer note(d)
Return on Investment	Net profit after tax	Fixed Assets	45.21%	3.93%	1050.80%	Refer note(e)

- (a) The Debt Service Coverage ratio has increased due to increase in operating income in current year as compared to previous year.
- (b) The Return on Equity ratio has increased due to decrease in raw material cost in current year as compared to previous year.
- (c) The Net Profit ratio has increased due to decrease in raw material cost and employee cost in current year as compared to previous year.
- (d) The Return on Capital Employed has increased due to decrease in raw material cost and employee cost in current year as compared to previous year.
- (e) The Return on Investment has increased due to decrease in raw material cost and employee cost in current year as compared to previous year.

Notes on Financial Statements for the Financial Year ended 31st March, 2022

35 Disclosures required under Section 22 of Micro, Small and Medium Enterprise Development Act, 2006

Particulars	Current Year	Previous Year
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,796.33	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

The above information regarding dues to Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

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

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

38 The Company is operating in single segment i.e. Speciality Chemicals-Adhesives and does not have any other identified reportable segment, so reporting as per Accounting Standard -17 (AS-17 Segment Reporting) issued by ICAI, is not applicable to the Company.

39 Other Statutory Information:

- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The company has not been declared as a wilful Defaulter by any Financial Institution or bank as at the date of Balance Sheet.
- There are no transactions and / or balance outstanding with companies struck off under section 248 of the Companies Act, 2013.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The company does not have any investments through more than two layers of investment companies as per section 2(87) (d) and section 186 of Companies Act, 2013.
- There are no Schemes of Arrangements that have been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date. There are no discrepancy in utilisation of borrowings.

Notes on Financial Statements for the Financial Year ended 31st March, 2022

- h) Utilisation of Borrowed funds and share premium:
- 1) No funds 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 to or in other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding, whether recorded in writing or otherwise, that the intermediary shall lend or invest in party identified by or on behalf of the Company.
 - 2) The Company has not received any fund from any party(s) (funding Party) with the understanding that the Company shall whether , directly or indirectly lend or invest in other persons or entities identified by on behalf of the Company (ultimate beneficiary) or provide any guarantee, security or like on behalf of the ultimate beneficiaries.
- i) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- j) The Company does not any transactions which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

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

Signatures to Notes 1 to 40 forming part of Balance Sheet and Profit and Loss Account.

As per our attached report of even date

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

CA Pankaj K. Shah
Partner
M. No. 34603

Place: AHMEDABAD
Date: 27th May, 2023
UDIN: 23034603BGVANL3000

Chandresh S. Saraswat
Chairman & Managing Director
DIN: 01475370

Nidhi Devesh Bhatt
Company Secretary &
Compliance Officer

Place: AHMEDABAD
Date: 27th May, 2023

Santosh Kumar Saraswat
Director
DIN: 00236008

Lokeshkumar Edival
Chief Financial Officer

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Audited Financial Statements for the Financial Years ending March 31, 2022, and March 31, 2023 and unaudited Financial Statement for The Half Year Ended September 30, 2023. For further details please refer to the chapter titled “Financial Statements” beginning on page 70 of this Draft Letter of Offer.

EARNINGS PER SHARE

(₹ in Lacs, unless otherwise specified)

Particulars	For The Half Year Ended September 30, 2023	For The Financial Year Ended	
		March 31, 2023	March 31, 2022
Net profit / (loss) after tax, attributable to equity shareholders	80.33	114.18	9.52
Weighted average number of Equity Shares outstanding	62.55	62.55	62.55
Basic EPS in ₹	1.28	1.83	0.15
Diluted EPS in ₹	1.28	1.83	0.15
Face value in ₹	10.00	10.00	10.00

NET ASSET VALUE PER EQUITY SHARE

(₹ in Lacs, unless otherwise specified)

Particulars	For The Half Year Ended September 30, 2023	For The Financial Year Ended	
		March 31, 2023	March 31, 2022
Net worth (A)	824.38	744.07	629.89
Number of Equity Shares outstanding (B)	62.55	62.55	41.69
NAV (A/B)	13.18	11.90	15.11
Face value in ₹	10.00	10.00	10.00

RETURN ON NET WORTH

Particulars	For The Half Year Ended September 30, 2023	For The Financial Year Ended	
		March 31, 2023	March 31, 2022
Net worth (A)	824.38	744.07	629.89
Net Profit/(Loss) for the period from Continuing Operations and Discontinuing Operations Attributable to Equity Holders(B)	80.33	114.18	9.52
RONW (B/A*100)	9.74%	15.35%	1.51%

EBITDA

Particulars	For The Half Year Ended September 30, 2023	For The Financial Year Ended	
		March 31, 2023	March 31, 2022
Profit/(Loss) after tax (A)	80.33	114.18	9.53
Tax expenses / (Credit) (B)	28.89	38.68	4.20
Exceptional Item (C)	-	-	-
Finance costs (D)	17.17	36.53	26.68
Depreciation & amortization expense (E)	19.84	39.44	39.72
EBIDTA (A+B+C+D+E)	146.23	228.83	80.13

Basic earnings per share	Net Profit/ (Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders before and after exceptional item, as applicable divided by Weighted Average number of Equity Shares outstanding at the end of the financial year
Diluted earnings per share	Net Profit/ (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders before or after exceptional item, as applicable/ Weighted Average number of Equity Shares outstanding at the end of the financial year
Return on net worth (in %)	Profit/ (Loss) for the Period/Year as per Statement of Profit and Loss attributable to Equity Shareholders of the company divided by Net worth as attributable to equity shareholders of the company at the end of the financial year
Net asset value per Equity Share	Net Worth on basis divided by the number of Equity Shares outstanding for the period/year
EBITDA	Profit for the year before finance costs, tax, depreciation, amortisation and items as presented in the statement of profit and loss in the Consolidated Audited Financial Statements

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our audited financial statements as of and for the Fiscal 2023 and Fiscal 2022 and our unaudited financial results for half year ended September 30, 2023 included in this Draft Letter of Offer. Our audited financial statements for Fiscal 2023 & Fiscal 2022 and unaudited financial results for half year ended September 30, 2023 and September 30, 2022, are prepared in accordance with Indian GAAP. Unless otherwise stated, the financial information used in this chapter is derived from the Audited Financial Statements and Unaudited Financial Results of our Company.

Our fiscal year ends on March 31 of each year; so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to “we”, “us” or “our” refers YUG DÉCOR LIMITED, our Company. Unless otherwise indicated, financial information included herein are based on our “**Financial Statements**” for the period ended on September 30, 2023 and Financial Years 2023 and 2022 included in this Draft letter of offer beginning on page 70 of this Draft Letter of Offer.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be “Forward Looking Statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

BUSINESS OVERVIEW

Yug Decor Limited is a young and dynamic organization manufacturing different kind of adhesives – Synthetic Binders, Synthetic Rubber Adhesives, Synthetic Resin Adhesives, Natural Rubber Adhesives, Footwear Adhesives under the brand name of YUG-COL. The company is managed by Chandresh S. Saraswat who is having a vast experience of 34 years in production and marketing of adhesives and plywood industry goods.

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

Our presence in the business for more than 2 decades have aided us to create a brand image coupled with the industry experience we possess; our brand is well received by the market and we aim to continue to further strengthen our brand by supplying qualitative products at competitive prices across the globe.

For further details, please refer to the section titled “*Our Business*” beginning on page 54 beginning of this Draft Letter of Offer.

FINANCIAL PERFORMANCE

The financial performance of our Company for half year ended on September 30, 2023, and as on March 31, 2023, March 31, 2022 is as follows:

Particulars	For the half year ended on		Year Ended	
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022
Revenue from operations	1,397.61	1,554.24	3,119.35	2,449.46
Total Income	1,399.76	1,559.40	3,126.67	2,450.37
EBITDA*	146.23	41.66	228.83	80.14
Profit/ (loss) after tax from continuing operation	80.33	5.63	114.18	9.53
Profit/ (loss) after tax from discontinuing operation	-	-	-	-
Profit/ (loss) from continuing and discontinuing operation	80.33	5.63	114.18	9.53
EBITDA Margin*	10.45%	2.67%	7.32%	3.27%
PAT Margin*	5.74%	0.36%	3.65%	0.39%
* 1. EBITDA is calculated as Profit before tax + Depreciation and Amortization Expenses + Finance Cost. 2. EBITDA Margin and PAT Margin is calculated as a percentage of Total Income.				

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subject to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” on page 19 beginning of this Draft Letter of Offer.

Our Company’s future results of operations could be affected potentially by the following factors:

1. Company’s ability to successfully implement our strategy, our growth and expansion, technological changes;
2. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
3. Audience’s taste and behaviour;
4. Inability to successfully obtain registrations in a timely manner or at all;
5. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
6. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
7. Our failure to keep pace with rapid changes in entertainment sector;
8. Changes in laws and regulations relating to the industries in which we operate;
9. Effect of lack of infrastructure facilities on our business;
10. Intensified competition in industries/sector in which we operate;
11. Our ability to attract, retain and manage qualified personnel;
12. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
13. 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;
14. Our ability to expand our geographical area of operation.

SIGNIFICANT ACCOUNTING POLICIES

Except as mentioned in section titled “*Financial Statements*” beginning on page 70 of this Draft Letter of Offer, there has been no change in accounting policies during the Fiscal years 2023, 2022 and for half year ended September 30, 2023.

CHANGES IN ACCOUNTING POLICIES

Except as mentioned in section titled “*Financial Statements*” beginning on page 70 of this Draft Letter of Offer, there has been no change in accounting policies during the Fiscal years 2023, 2022 and for half year ended September 30, 2023.

COMPONENTS OF INCOME AND EXPENDITURE

Revenue from Operations

Our revenue from operations comprises of revenue from sale of products and other operating income primarily commission income and export incentives.

Other Income

Our other income primarily comprises of interest income, profit on sale of fixed assets and recovery of bad debt.

Total Revenue

Our total revenue is divided into revenue from operations and other income. Revenue from operations consists revenue from sale of goods, other operating income and other income.

Total Expenses

Our total expenses comprise of Cost of material consumed, purchase of stock in trade, Changes in inventories of finished goods, work-in progress and stock-in-trade, Employee benefit expenses, Finance cost, Depreciation, Other expenses.

Cost of material consumed

Our Cost of material consumed comprise of purchases of raw materials and packing materials along with related cost of freight.

Purchases of stock in trade

Our purchase of stock in trade comprises of purchases of raw materials and packing materials.

Change in Inventories

Our change in inventories comprise of change in opening and closing of raw materials, work in progress, finished goods.

Employee benefit expenses

Employee benefit expenses comprises of Salaries, Wages and Bonus, Staff welfare expenses, Contribution to Provident and Other funds, Workmen Compensation and Insurance, Gratuity Expenses.

Finance cost

Finance cost comprises of Bank Charges and Commission, Interest paid to Banks and Financial Institutions, Other borrowing costs.

Other Expenses

Other expenses majorly comprise of Consumption of Stores and spare parts, Power & fuel, Rent Expenses, Rates & Taxes, Auditor Remuneration, Bank Charges, Conveyance, Commission Expenses, Petrol/Diesel, Delivery Vehicles, Insurance, Electricity Expenses, Freight & Clearance Expenses, General Charges, Legal & Professional Fees, Postage & Courier, Printing & Stationary Scheme, Sample, Rebate & Discount, Repairs & Maintenance, Building Plant and Machinery, Telephone, Mobile and internet charges, Exchange Loss / (Gain), Advertisement & Sales Promotion Expenses, Travelling Expenses, Bad Debt Written Off, Provision/ (Write back) for Doubtful Debts (net).

Taxation

The current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

RESULTS OF OPERATIONS

The following discussion on results of operations should be read in conjunction with the Unaudited Financial Statements of our Company for the period ended September 30, 2023 and September 30, 2022 and Audited Financial Statements for the financial years ended March 31, 2023 and 2022:

(₹ in Lacs)

Particulars	For the period ended on September 30,				For the year ended on March 31,			
	2023	% of Total**	2022	% of Total**	2023	% of Total**	2022	% of Total**
INCOME								
Revenue from Operations	1,397.61	99.85%	1,554.24	99.67%	3,119.35	99.77%	2,449.46	99.96%
Other Income	2.15	0.15%	5.16	0.33%	7.32	0.23%	0.91	0.04%
Total Income	1,399.76	100.00 %	1,559.40	100.00 %	3,126.67	100.00 %	2,450.37	100.00 %
EXPENDITURE								
Cost of material consumed	886.83	63.36%	1,263.32	81.01%	2,317.28	74.11%	1,965.29	80.20%
Purchase of Stock-in-Trade	12.20	0.87%	9.26	0.59%	32.25	1.03%	15.64	0.64%
Changes in inventories of finished goods, work -in progress and stock-in-trade	(13.73)	-0.98%	13.26	0.85%	7.99	0.26%	(24.88)	-1.02%
Employee benefits expense	188.95	13.50%	121.86	7.81%	258.50	8.27%	236.47	9.65%

Finance costs	17.17	1.23%	15.73	1.01%	36.53	1.17%	26.68	1.09%
Depreciation and amortization expense	19.84	1.42%	18.40	1.18%	39.44	1.26%	39.72	1.62%
Other expenses	179.28	12.81%	110.04	7.06%	281.82	9.01%	177.71	7.25%
Total Expenses	1,290.54	92.20%	1,551.87	99.52%	2,973.81	95.11%	2,436.63	99.44%
Profit/(Loss) before Tax	109.22	7.80%	7.53	0.48%	152.86	4.89%	13.74	0.56%
Tax Expense/ (benefit)								
(a) Current Tax Expense	30.69	2.19%	1.93	0.12%	41.91	1.34%	3.16	0.13%
(b) Deferred Tax	(1.80)	-0.13%	(0.03)	0.00%	(3.23)	-0.10%	1.05	0.04%
(c) Other Tax Exp / Adj. for Earlier year								
Net tax expense / (benefit)	28.89	2.06%	1.90	0.12%	38.68	1.24%	4.21	0.17%
Profit/(Loss) for the year	80.33	5.74%	5.63	0.36%	114.18	3.65%	9.53	0.39%

SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2023 COMPARED TO SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2022

Total Revenue

Our total revenue for the six Months Period ended September 30, 2023 was ₹1,399.76 lacs as compared to ₹1,559.40 lacs for the six Months Period ended September 30, 2022, representing a decrease of 10.24%.

Revenue from Operations

The revenue income from operations for the six months period on ended on September 30, 2023 was ₹ 1,397.61 lacs as compared to ₹ 1,554.24 lacs for the six months period ended on September 30, 2022, representing a decrease of 10.08%.

Other Income

The other income for the six months period on ended on September 30, 2023 was ₹ 2.15 lacs as compared to ₹ 5.16 lacs for the six months period on ended on September 30, 2022, representing a decrease of 58.33%.

Total Expenses

Our total expenses for the six months period on ended on September 30, 2023 was ₹ 1,290.54 Lacs as compared to ₹ 1,551.87 lacs for the six months period on ended on September 30, 2022, representing a decrease of 16.84%.

Cost of material consumed

The Cost of material consumed for the six months period on ended on September 30, 2023 was ₹ 886.83 lacs as compared to ₹ 1,263.32 for the six months period on ended on September 30, 2022, representing a decrease of 29.80%.

Purchase of Stock in trade

The Purchase of Stock in trade for the six months period on ended on September 30, 2023 was ₹ 12.20 lacs as compared to ₹ 9.26 for the six months period on ended on September 30, 2022, representing an increase of 31.75%.

Changes in Inventories

The Changes in Inventories for the six months period on ended on September 30, 2023 was ₹ (13.73) lacs as compared to ₹ 13.26 lacs for the six months period on ended on September 30, 2022.

Employee Benefit Expenses

The Employee Benefit Expenses for the six months period on ended on September 30, 2023 was ₹ 188.95 lacs as compared to ₹ 121.86 lacs for the six months period on ended on September 30, 2022, representing a decrease of 55.05%.

Finance Cost

The finance cost for the six months period on ended on September 30, 2023 was ₹ 17.17 lacs as compared to ₹ 15.73 lacs for the six months period on ended on September 30, 2022, representing a decrease of 9.15%.

Depreciation and Amortization

The Depreciation for the six months period on ended on September 30, 2023 was ₹ 19.84 lacs as compared to ₹ 18.40 lacs for the six months period on ended on September 30, 2022 representing an increase of 7.83%.

Other Expenses

Other Expenses for the six months period on ended on September 30, 2023 was ₹ 179.28 lacs as compared to ₹ 110.04 lacs for the six months period on ended on September 30, 2022, representing an increase of 62.92%.

Profit before Tax

Profit before tax for the six months period on ended on September 30, 2023 was ₹109.22 lacs as compared to ₹ 7.53 lakhs for the six months period on ended on September 30, 2022, representing an increase of 1350.46%.

Tax Expenses

Current Tax Expense for the six months period on ended on September 30, 2023 was ₹ 30.69 lacs and Deferred Tax was (1.80) lacs. Current Tax Expense for the six months period on ended on September 30, 2022 was ₹ 1.93 lacs and Deferred Tax was (0.03) lacs.

Profit after Tax

Profit after tax for the six months period on ended on September 30, 2023 was ₹ 80.33 lacs as compared to ₹ 5.63 lacs for the six months period on ended on September 30, 2022, representing an increase of 1326.82%.

COMPARISON OF FINANCIAL YEAR ENDED 2023 TO FINANCIAL YEAR ENDED 2022

Total Revenue

Our total revenue for the financial year ended September 30, 2023 was ₹3,126.67 lacs as compared to ₹ 2,450.37 lacs for the financial year ended September 30, 2022, representing an increase of 27.60%.

Revenue from Operations

The revenue income from operations for the financial year on ended on September 30, 2023 was ₹ 3,119.35 lacs as compared to ₹ 2,449.46 lacs for the financial year ended on September 30, 2022, representing an increase of 27.35%.

Other Income

The other income for the financial year on ended on September 30, 2023 was ₹ 7.32 lacs as compared to ₹ 0.91 lacs for the financial year on ended on September 30, 2022, representing an increase of 704.40%.

Total Expenses

Our total expenses for the financial year on ended on September 30, 2023 was ₹ 2,973.81 lacs as compared to ₹ 2,436.63 lacs for the financial year on ended on September 30, 2022, representing an increase of 22.05%.

Cost of material consumed

The Cost of material consumed for the financial year on ended on September 30, 2023 was ₹ 2,317.28 lacs as compared to ₹ 1,965.29 lacs for the financial year on ended on September 30, 2022, representing an increase of 17.91%.

Purchase of Stock in trade

The Purchase of Stock in trade for the financial year on ended on September 30, 2023 was ₹ 32.25 lacs as compared to ₹ 15.64 for the financial year on ended on September 30, 2022, representing an increase of 106.20%.

Changes in Inventories

The Changes in Inventories for the financial year on ended on September 30, 2023 was ₹ 7.99 lacs as compared to ₹ (24.88) lacs for the financial year on ended on September 30, 2022.

Employee Benefit Expenses

The Employee Benefit Expenses for the financial year on ended on September 30, 2023 was ₹ 258.50 lacs as compared to ₹ 236.47 lacs for the financial year on ended on September 30, 2022, representing an increase of 9.32%.

Finance Cost

The finance cost for the financial year on ended on September 30, 2023 was ₹ 36.53 lacs as compared to ₹ 26.68 lacs for the financial year on ended on September 30, 2022, representing an increase of 36.92%.

Depreciation and Amortization

The Depreciation for the financial year on ended on September 30, 2023 was ₹ 39.44 lacs as compared to ₹ 39.72 lacs for the financial year on ended on September 30, 2022 representing a decrease of 0.70%.

Other Expenses

Other Expenses for the financial year on ended on September 30, 2023 was ₹ 281.82 lacs as compared to ₹ 177.71 lacs for the financial year on ended on September 30, 2022, representing an increase of 58.58%.

Profit before Tax

Profit before tax for the financial year on ended on September 30, 2023 was ₹ 152.86 lacs as compared to ₹ 13.74 lakhs for the financial year on ended on September 30, 2022, representing an increase of 1012.52%.

Tax Expenses

Current Tax Expense for the financial year on ended on September 30, 2023 was ₹ 41.91 lacs and Deferred Tax was (3.23) lacs. Current Tax Expense for the financial year on ended on September 30, 2022 was ₹ 3.16 lacs and Deferred Tax was 1.05 lacs.

Profit after Tax

Profit after tax for the financial year on ended on September 30, 2023 was ₹ 114.18 lacs as compared to ₹ 9.53 lacs for the financial year on ended on September 30, 2022, representing an increase of 1098.11%.

RELATED PARTY TRANSACTIONS

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relate to remuneration, salary, commission and Issue of Equity Shares. For further details of related parties kindly refer chapter titled “Financial Statements” beginning on page 70 of this Draft letter of offer.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2022 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Other than as disclosed in this Draft Letter of Offer, there have been no significant developments after March 31, 2022, the date of the latest balance sheet included in this Draft Letter of Offer that may affect our future results of operations. For further information, see “*Outstanding Litigation, Material Developments and Defaults*” on page 80 of this Draft Letter of Offer.

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SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

There are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors, Promoters or Group Companies.

Further our Company, Directors, Promoters and Group Companies are not wilful defaulters or fraudulent borrowers and there have been no violations of securities laws in the past or pending against them.

LITIGATION RELATING TO OUR COMPANY

A. CASES FILED AGAINST OUR COMPANY

1. Litigation involving Civil Laws

Nil

2. Litigation involving Criminal Laws

Nil

3. Litigation involving Securities and Economic Laws

Nil

4. Litigation involving Taxation

Direct Tax

Nil

Indirect Tax

Nil

5. Other Pending Litigation based on Materiality Policy of our Company

Nil

B. CASES FILED BY OUR COMPANY

1. Litigation involving Civil Laws

Nil

2. Litigation involving Criminal Laws

Except as mentioned below there are no outstanding criminal proceedings initiated by the company.

Case No.	Section/Cod e	Court/Authority	Outstanding Amount	Case Details
CC/12841 3/2023	Section 138 of Negotiable Instrument Act, 1881	Metropolitan Magistrate Court, Ahmedabad	73,632	A criminal case was filed by our Company before the Hon'ble Metropolitan Magistrate Court, Ahmedabad against M/s Balaji Plywood Mumbra (the "Accused") under Section 138 of Negotiable Instrument Act, 1881 for dishonour of cheques

				issued by the Accused to our Company for payment of consideration for goods supplied aggregating to Rs. 93,632.
CC/10161/2023	Section 138 of Negotiable Instrument Act, 1881	Metropolitan Magistrate Court, Ahmedabad	20,491	A criminal case was filed by our Company before the Hon'ble Metropolitan Magistrate Court, Ahmedabad against M/s BHARATH ASSOCIATES (the "Accused") under Section 138 of Negotiable Instrument Act, 1881 for dishonour of cheques issued by the Accused to our Company for outstanding amount of Rs. 20,491/- for payment of consideration for goods supplied..
CC/10161/2/2023	Section 138 of Negotiable Instrument Act, 1881	Metropolitan Magistrate Court, Ahmedabad	39,270	A criminal case was filed by our Company before the Hon'ble Metropolitan Magistrate Court, Ahmedabad against M/s ARYAN ENTERPRISES (SHEELA V) (the "Accused") under Section 138 of Negotiable Instrument Act, 1881 for dishonour of cheques issued by the Accused to our Company for outstanding amount of Rs. 49,270/- for payment of consideration for goods supplied.
CC/75153/2023	Section 138 of Negotiable Instrument Act, 1881	Metropolitan Magistrate Court, Ahmedabad	3,41,918	A criminal case was filed by our Company before the Hon'ble Metropolitan Magistrate Court, Ahmedabad against M/s SUPER TRADING COMPANY (the "Accused") under Section 138 of Negotiable Instrument Act, 1881 for dishonour of cheques of Rs. 4,00,000/- issued by the Accused to our Company against outstanding amount of Rs.4,21,918/- for goods supplied.
CC/72035/2023	Section 138 of Negotiable Instrument Act, 1881	Metropolitan Magistrate Court, Ahmedabad	27,470	A criminal case was filed by our Company before the Hon'ble Metropolitan Magistrate Court, Ahmedabad against M/s ISHWAR PLYWOOD (the "Accused") under Section 138 of Negotiable Instrument Act, 1881 for dishonour of cheques issued by the Accused to our Company for payment of consideration for goods supplied aggregating to Rs. 27470.
CC/72028/2023	Section 138 of Negotiable Instrument Act, 1881	Metropolitan Magistrate Court, Ahmedabad	21,852	A criminal case was filed by our Company before the Hon'ble Metropolitan Magistrate Court, Ahmedabad against M/s BALOR PLY (the "Accused") under Section 138 of Negotiable Instrument Act, 1881 for dishonour of cheques issued by the Accused to our Company for Rs. 41,852/- against outstanding payment of consideration for goods supplied..
CC/71944/2023	Section 138 of Negotiable Instrument Act, 1881	Metropolitan Magistrate Court, Ahmedabad	41,814	A criminal case was filed by our Company before the Hon'ble Metropolitan Magistrate Court, Ahmedabad against M/s ROYAL STEEL FURNITURE (the "Accused") under Section 138 of Negotiable Instrument Act, 1881 for dishonour of cheques issued by the Accused to our Company for Rs.1,81,814/- against outstanding payment of consideration for goods supplied.
CC/71933/2023 CC/71926/2023 CC/71668/2023	Section 138 of Negotiable Instrument Act, 1881	Metropolitan Magistrate Court, Ahmedabad	4,50,809	A criminal case was filed by our Company before the Hon'ble Metropolitan Magistrate Court, Ahmedabad against M/s POOJA INTERIORS (the "Accused") under Section 138 of Negotiable Instrument Act, 1881 for dishonour of cheques issued by the Accused to our Company for Rs. 4,17,102 against total outstanding of Rs. 5,38,309/- for goods supplied.
CC/71722/2023	Section 138 of Negotiable Instrument Act, 1881	Metropolitan Magistrate Court, Ahmedabad	3,54,731	A criminal case was filed by our Company before the Hon'ble Metropolitan Magistrate Court, Ahmedabad against M/s THAKKAR DISTRIBUTORS (the "Accused") under Section 138 of Negotiable Instrument Act, 1881 for dishonour of cheques issued by the Accused to our Company for Rs. 3,54,731/- against outstanding payment for goods supplied.
CC/71674/2023	Section 138 of Negotiable Instrument Act, 1881	Metropolitan Magistrate Court, Ahmedabad	35,401	A criminal case was filed by our Company before the Hon'ble Metropolitan Magistrate Court, Ahmedabad against M/s PRATAP INDUSTRIES (the "Accused") under Section 138 of Negotiable Instrument Act, 1881 for dishonour of cheques issued by the Accused to our Company for Rs.35,401/- for payment of outstanding for goods supplied.

CC/69132/ 2023	Section 138 of Negotiable Instrument Act, 1881	Metropolitan Magistrate Court, Ahmedabad	40,401	A criminal case was filed by our Company before the Hon'ble Metropolitan Magistrate Court, Ahmedabad against M/s AARTI ENTERPRISES (the "Accused") under Section 138 of Negotiable Instrument Act, 1881 for dishonour of cheques issued by the Accused to our Company for Rs.50,035 for payment of outstanding of Rs.50,401 for goods supplied.
CC/63013/ 2023	Section 138 of Negotiable Instrument Act, 1881	Metropolitan Magistrate Court, Ahmedabad	1,33,263	A criminal case was filed by our Company before the Hon'ble Metropolitan Magistrate Court, Ahmedabad against M/s BOMBAY SALES CORPORATION (the "Accused") under Section 138 of Negotiable Instrument Act, 1881 for dishonour of cheques issued by the Accused to our Company for Rs. 2,05,268/- for payment of outstanding for goods supplied.
CC/58876/ 2023	Section 138 of Negotiable Instrument Act, 1881	Metropolitan Magistrate Court, Ahmedabad	1,71,690	A criminal case was filed by our Company before the Hon'ble Metropolitan Magistrate Court, Ahmedabad against M/s SWASTIK LAMINATES (the "Accused") under Section 138 of Negotiable Instrument Act, 1881 for dishonour of cheques issued by the Accused to our Company for Rs. 1,71,690/- for payment of outstanding for goods supplied.
CC/55860/ 2023	Section 138 of Negotiable Instrument Act, 1881	Metropolitan Magistrate Court, Ahmedabad	1,27,379	A criminal case was filed by our Company before the Hon'ble Metropolitan Magistrate Court, Ahmedabad against M/s JAYDEE ENTERPRISES (the "Accused") under Section 138 of Negotiable Instrument Act, 1881 for dishonour of cheques issued by the Accused to our Company for Rs. 1,27,379/-for payment of outstanding for goods supplied.
CC/39785/ 2023	Section 138 of Negotiable Instrument Act, 1881	Metropolitan Magistrate Court, Ahmedabad	2,27,675	A criminal case was filed by our Company before the Hon'ble Metropolitan Magistrate Court, Ahmedabad against M/s HINDUSTAN ENTERPRISES (the "Accused") under Section 138 of Negotiable Instrument Act, 1881 for dishonour of cheques issued by the Accused to our Company for Rs. 2,27,675/- for payment of outstanding for goods supplied.
CC/39782/ 2023	Section 138 of Negotiable Instrument Act, 1881	Metropolitan Magistrate Court, Ahmedabad	1,17,124	A criminal case was filed by our Company before the Hon'ble Metropolitan Magistrate Court, Ahmedabad against M/s RAINBOW LAMINATES (the "Accused") under Section 138 of Negotiable Instrument Act, 1881 for dishonour of cheques issued by the Accused to our Company for Rs. 1,17,124/- for payment of outstanding for goods supplied.
CC/29329/ 2023	Section 138 of Negotiable Instrument Act, 1881	Metropolitan Magistrate Court, Ahmedabad	62,670	A criminal case was filed by our Company before the Hon'ble Metropolitan Magistrate Court, Ahmedabad against M/s AVIRAL ENTERPRISES (the "Accused") under Section 138 of Negotiable Instrument Act, 1881 for dishonour of cheques issued by the Accused to our Company for payment of outstanding for goods supplied..
CC/603/20 23	Section 138 of Negotiable Instrument Act, 1881	Metropolitan Magistrate Court, Ahmedabad	1,07,707	A criminal case was filed by our Company before the Hon'ble Metropolitan Magistrate Court, Ahmedabad against M/s RUSHIKRUPA BUILDCON (the "Accused") under Section 138 of Negotiable Instrument Act, 1881 for dishonour of cheques issued by the Accused to our Company for outstanding payment of goods supplied.
CC/12123 3/2022	Section 138 of Negotiable Instrument Act, 1881	Metropolitan Magistrate Court, Ahmedabad	2,05,798	A criminal case was filed by our Company before the Hon'ble Metropolitan Magistrate Court, Ahmedabad against VARDHMAN PLY LAM (the "Accused") under Section 138 of Negotiable Instrument Act, 1881 for dishonour of cheques issued by the Accused to our Company for Rs.2,66,169/- for payment of outstanding for goods supplied.
CC/10002 7/2022	Section 138 of Negotiable Instrument Act, 1881	Metropolitan Magistrate Court, Ahmedabad	2,72,557	A criminal case was filed by our Company before the Hon'ble Metropolitan Magistrate Court, Ahmedabad against M/s MANAVTA AND COMPANY (the "Accused") under Section 138 of Negotiable Instrument Act, 1881 for dishonour of cheques issued by the Accused to our Company for Rs. 4,22,557/- for outstanding payment for goods supplied.

CC/99776/ 2022 CC/94597 /2022	Section 138 of Negotiable Instrument Act, 1881	Metropolitan Magistrate Court, Ahmedabad	2,46,630	A criminal case was filed by our Company before the Hon'ble Metropolitan Magistrate Court, Ahmedabad against M/s RAIGAD MODULER FURNITURE (the "Accused") under Section 138 of Negotiable Instrument Act, 1881 for dishonour of cheques issued by the Accused to our Company for Rs. 2,71,630/- for payment of outstanding for goods supplied.
CC/94587/ 2022	Section 138 of Negotiable Instrument Act, 1881	Metropolitan Magistrate Court, Ahmedabad	27,343	A criminal case was filed by our Company before the Hon'ble Metropolitan Magistrate Court, Ahmedabad against M/s DISHANI LEMINATES GALLERY (the "Accused") under Section 138 of Negotiable Instrument Act, 1881 for dishonour of cheques issued by the Accused to our Company for Rs. 27,343/- for payment outstanding for goods supplied..
CC/15770 1/2021	Section 138 of Negotiable Instrument Act, 1881	Metropolitan Magistrate Court, Ahmedabad	1,46,870	A criminal case was filed by our Company before the Hon'ble Metropolitan Magistrate Court, Ahmedabad against M/s LUXURY FURNITURE (the "Accused") under Section 138 of Negotiable Instrument Act, 1881 for dishonour of cheques issued by the Accused to our Company for payment of outstanding of Rs.2,06,870/- for goods supplied.

3. Litigation involving Securities and Economic Laws

Nil

4. Litigation involving Taxation

Nil

5. Other Pending Litigation based on Materiality Policy of our Company

Nil

C. NOTICES FROM STATUTORY AUTHORITIES

Nil

LITIGATION RELATING TO THE DIRECTORS OTHER THAN PROMOTERS OF THE COMPANY

A. CASES FILED AGAINST THE DIRECTORS

1. Litigation involving Civil/Statutory Laws

Nil

2. Litigation involving Criminal Laws

Nil

3. Litigation involving Economic Offenses

Nil

4. Litigation involving Tax Liabilities

Nil

5. Other Pending Litigation based on Materiality Policy of our Company

Nil

B. NOTICES FROM STATUTORY AUTHORITIES

Nil

C. CASES FILED BY THE DIRECTORS

1. Litigation involving Civil/Statutory Laws

Nil

2. Litigation involving Criminal Laws

Nil

3. Litigation involving Economic Offenses

Nil

4. Litigation involving Tax Liabilities

Nil

LITIGATION RELATING TO OUR PROMOTER AND PROMOTER GROUP ENTITIES

A. CASES FILED AGAINST THE PROMOTER AND PROMOTER GROUP ENTITIES

1. Litigation involving Civil/Statutory Laws

Nil

2. Litigation involving Criminal Laws

Nil

3. Litigation involving Economic Offenses

Nil

4. Litigation involving Tax Liabilities

Nil

5. Other Pending Litigation based on Materiality Policy of our Company

Nil

B. CASES FILED BY THE PROMOTER AND PROMOTER GROUP ENTITIES

1. Litigation involving Civil Laws

Nil

2. Litigation involving Criminal Laws

Nil

3. Litigation involving Securities and Economic Laws

Nil

4. Litigation involving Labour Laws

Nil

5. Litigation involving Taxation

Nil

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS OR FRAUDULENT BORROWER

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

MATERIAL DEVELOPMENTS OCCURING SINCE MARCH 31, 2023

There have not arisen, since the date of the last financial statements disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

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GOVERNMENT AND OTHER APPROVALS

Our Company is required to comply with the provisions of various laws and regulations and obtain approvals, registrations, permits and licenses under them for conducting our operations. The requirement for approvals may vary based on factors such as the activity being carried out and the legal requirements in the jurisdiction in which we are operating. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage. Our Company has obtained all material consents, licenses, permissions and approvals from governmental and regulatory authorities that are required for carrying on our present business activities. In the event, some of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we will apply for their renewal, from time to time. As on the date of this Letter of Offer, there are no pending material approvals required for our Company or any of our Subsidiaries, to conduct our existing business and operations.

Material pending government and regulatory approvals pertaining to the Objects of the Issue

As on the date of this Draft Letter of Offer, there are no material pending government and regulatory approvals pertaining to the Objects of the Issue.

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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 January 12, 2024 pursuant to Section 62(1)(a) of the Companies Act, 2013.

The Board of Directors has, at its meeting held on [●], determined the Issue Price as ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) in consultation with the Legal Advisor to the Issue, and the Rights Entitlement as [●] Rights Equity Shares for every [●] Equity Shares held on the Record Date.

This Draft Letter of Offer has been approved by our Board pursuant to their resolutions dated February 10, 2024.

Our Company has received in-principle approval from BSE pursuant to Regulation 28 of SEBI (LODR) Regulations, vide its letter dated [●] for listing of the Rights Equity Shares to be allotted pursuant to the Issue. Our Company will also make an application to BSE to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. Our Company has been allotted the ISIN [●] both from NSDL and CDSL for the Rights Equity Shares issued pursuant to this Issue. For details, see section titled “*Terms of the Issue*” beginning on page [●] of this Draft Letter of Offer.

PROHIBITION BY SEBI AND OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoters, our Promoter Group or our Directors, the persons in control of our Company have not been debarred and are not prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI, or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

The companies with which the Promoters or the Directors are associated as promoters or directors have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Neither our Promoters nor any of our Directors have been declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

None of our Directors are, in any manner, associated with the securities market.

PROHIBITION BY RBI

Neither our Company nor any of our Promoters or our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

CONFIRMATION UNDER THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

As on the date of this Draft Letter of Offer, our Company, our Promoters and members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, as amended (“SBO Rules”), to the extent applicable.

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 SME platform of BSE Limited. 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 SEBI (ICDR) Regulations.

COMPLIANCE WITH REGULATION 61 AND 62 OF THE SEBI (ICDR) REGULATIONS

The present Issue being of less than ₹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.

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 has made application to the Stock Exchange and has received their in-principal approval for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE is the Designated Stock Exchange for the purpose of the Issue.

COMPLIANCE WITH CLAUSE (1) OF PART B OF SCHEDULE VI OF THE SEBI (ICDR) REGULATIONS

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI (ICDR) Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI (LODR) Regulations, as applicable for the last one year immediately preceding the date of filing of the Draft Letter of Offer with BSE;
2. The reports, statements and information referred to above in clause (1) are available on the website of BSE;
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 of directors 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, disclosures in this Draft Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI (ICDR) Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS LETTER OF OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER.

DISCLAIMER FROM OUR COMPANY, OUR DIRECTOR(S)

Our Company accept no responsibility for statements made otherwise 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 the Issue will be deemed to have represented to our Company and its officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice/evaluation as to their ability and quantum of investment in the Issue.

CAUTION

Our Company shall make all the 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 Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at the date of this Draft Letter of Offer.

DISCLAIMER WITH RESPECT TO JURISDICTION

This Draft 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

As required, a copy of this Draft Letter of Offer shall be submitted to the BSE. The Disclaimer Clause as intimated by the BSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to the filing with SEBI and BSE.

FILING

The Draft Letter of Offer shall not be filed with SEBI, nor will SEBI issue any observation on the Draft Letter of Offer as the size of issue is less than ₹ 50 Crore (Fifty Crores). The Letter of Offer has been filed with BSE for obtaining in-principle approval. However, a copy of the Letter of Offer shall be filed with the SEBI for the purpose of their information and dissemination on its website to the e-mail address: cfddil@sebi.gov.in.

SELLING RESTRICTIONS

The distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Rights Entitlement Letter, Application Form (collectively "Issue Materials") and the issue of Rights Equity Shares, 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.

We are making this Issue of Equity Shares on a rights basis to the Eligible Equity Shareholders and will send/ dispatch the Issue Materials only to the Eligible Equity Shareholders who have provided an Indian address and who are located in jurisdictions where the issue 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.

Further, the Letter of Offer will be provided to those who have provided their Indian addresses to our Company and who makes a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, The Stock Exchange.

Our Company shall also endeavor to dispatch physical copies of the Issue Materials to Eligible Equity Shareholders who have provided an Indian address to our Company. Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials.

No action has been or will be taken to permit this Issue in any jurisdiction or the possession, circulation, or distribution of this Issue Materials or any other material relating to our Company, the Rights Equity Shares or Rights Entitlement in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity 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 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 those circumstances, the Issue Materials must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Rights Equity Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Rights Entitlements or Rights Equity Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company or their respective affiliates to any filing or registration requirement (other than in India). If the Issue Materials is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Rights Equity Shares referred to in the Issue Materials.

Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address.

Any person who makes an application to acquire Rights Entitlement and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company or their respective affiliates to make any filing or registration (other than in India).

Neither the delivery of the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form nor any sale or offer 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 this Draft Letter of Offer or date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER, THE LETTER OF OFFER AND ABRIDGED LETTER OF OFFER 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 BUYING OR SELLING OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. 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 RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. IN ADDITION, NEITHER OUR COMPANY NOR ANY OF THEIR RESPECTIVE AFFILIATES ARE MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE RIGHTS EQUITY SHARES OR THE RIGHTS ENTITLEMENTS REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS EQUITY SHARES OR THE RIGHTS ENTITLEMENTS BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

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. All investor grievances received by us have been handled by the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 (Fifteen) days from the date of receipt of the complaint.

Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue i.e., Satellite Corporate Services Private Limited. The agreement between the Company and the Registrar provides for a period for which records shall be retained by the Registrar in order to enable the Registrar to redress grievances of Investors.

Investors may contact the Registrar or our Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process with a copy to the SCSBs (in case of ASBA process), 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 Rights Equity Shares applied for, amount blocked (in case of ASBA process), 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 ASBA Investors along with a photocopy of the acknowledgement slip (in case of ASBA process),. For details on the ASBA process, please see “Terms of the Issue” on page 92 of this Draft Letter of Offer.

Investor Grievances arising out of this Issue

The contact details of the Registrar to the Issue and the Company Secretary and Compliance Officer of our Company are as follows:

Company Secretary and Compliance Officer	Registrar to the Issue
Mrs. Nidhi Devesh Bhatt 709-714, Sakar - V, B/h Natraj Cinema Ashram Road, , Ahmedabad, Gujarat, 380009 Tel: +91 9375202777 Email: cs@yugdecor.com Website: www.yugdecor.com	SATELLITE CORPORATE SERVICES PRIVATE LIMITED Address: A/106-107, Dattani Plaza, East West Industrial Compound, Andheri Kurla Road, Safed Pool, Sakinaka, Mumbai-400072, Mumbai – 400 072. Tel: 022-28520467/ 462 SEBI REGN NO: INR000003639 EmailId: service@satellitecorporate.com / info@satellitecorporate.com ; Website: www.satellitecorporate.com Contact Person: Mr. Michael Monteiro SEBI Registration No: INR000003639

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 at www.satellitecorporate.com. Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are (service@satellitecorporate.com / +91-22- 28520461/462).

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SECTION VII: OFFERING INFORMATION

TERMS OF THE ISSUE

This Section applies to all Investors. ASBA Investors should note that the ASBA process involves procedures that may be different from that applicable to other Investors and should carefully read the provisions applicable to such Applications, in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, before submitting an Application Form. Our Company is not liable for any amendments, modifications or changes in applicable law which may occur after the date of this Letter of Offer. Investors who are eligible to apply under the ASBA process, as the case may be, are advised to make their independent investigations and to ensure that the Application Form and the Rights Entitlement Letter is correctly filled up.

Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (“SEBI – Rights Issue Circular”), all investors (including renouncee) shall make an application for a rights issue only through ASBA facility. However, in view of the COVID-19 pandemic and the lockdown measures undertaken by Central and State Governments, relaxation from the strict enforcement of the SEBI – Rights Issue Circular has been provided by SEBI, vide its Circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 06, 2020 and Circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020. As per the said circular, in case the physical shareholders who have not been able to open a demat account or are unable to communicate their demat details, in terms of clause 1.3.4 of the SEBI – Rights Issue Circular, to the Company or Registrar to the Issue, for credit of REs within specified time, such physical shareholders may be allowed to submit their application subject to the conditions prescribed in the SEBI Circulars dated May 06, 2020 and July 24, 2020.

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form was available only for a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., until May 10, 2019.

Since Allotment in this Issue will occur subsequent to May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar.

Further, In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) 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 two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period.

The Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, The Letter of Offer, the Abridged Letter of Offer, including the Application Form and the Rights Entitlement Letter, the MOA and AOA of our Company, the provisions of the Companies Act, the terms and conditions as may be incorporated in the FEMA, applicable guidelines and regulations issued by SEBI or other statutory authorities and bodies from time to time, the SEBI Listing Regulations, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time.

OVERVIEW

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the 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, FEMA, FEMA Rules, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the BSE 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, SEBI Rights Issue Circulars, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other issue material (“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 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 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.

Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses and have made a request in this regard. In case such 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 such 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 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, 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:

- a. Our Company's website at www.yugdecor.com
- b. Registrar to the Issue's website at www.satellitecorporate.com
- c. BSE website www.bseindia.com

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue's website at www.satellitecorporate.com by entering their DP-ID and Client-ID and PAN. The link for the same shall also be available on the website of our Company at www.yugdecor.com.

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. In light of the current COVID-19 situation and pursuant to the SEBI Rights Issue Circulars, 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, 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 Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

2. Facilities for 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 either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, refer "Procedure for Application through the ASBA Process" on page 100.

ASBA facility

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.

Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 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.

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 refer "Grounds for Technical Rejection" on page 109 Our Company, the Registrar 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 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 104 of this Draft 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 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: (a) The demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (b) A demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to: (i) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or (ii) Equity Shares held in the account of IEPF authority; or (iii) 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 (iv) 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 (v) Credit of the Rights Entitlements returned/ reversed/ failed; or (vi) The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.

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 to the Issue not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (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 the Issue, 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.satellitecorporate.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.satellitecorporate.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.

4. Application by Resident 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 Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares 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.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) 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 our Company or Registrar at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Shares may also apply in this Issue during the Issue Period. Application by such Eligible Equity Shareholders is subject to following conditions:

- a. The Eligible Equity Shareholders are residents;
- b. The Eligible Equity Shareholders are not making payment from non-resident account;
- c. The Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and
- d. The Eligible Equity Shareholders shall receive Rights Shares, in respect of their Application, only in demat mode.

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 Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Accordingly, such resident Eligible Equity Shareholders are required to send a communication to our Company containing the name(s), Indian 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 post, speed post, courier, electronic mail, or hand delivery, to enable process of credit of Rights Shares in such demat account.

5. Application for Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity 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 Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “Basis of Allotment” beginning on page 109.

OTHER IMPORTANT LINKS AND HELPLINE

The Investors can visit following links for the below-mentioned purposes:

Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.satellitecorporate.com ;

Updating of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar to the Issue or our Company: cs@yugdecor.com ;

Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: www.satellitecorporate.com;

Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: www.satellitecorporate.com.

RENOUNCEES

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

AUTHORITY FOR THE ISSUE

This Issue has been authorized by a resolution of our Board passed at its meeting held on January 12, 2024 pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The Board of Directors of our Company in its meeting held on [●] has resolved to issue Rights Equity Shares to the Eligible Equity Shareholders, at ₹ [●] /- per Rights Equity Share, in the ratio of [●]:[●] i.e., [●] ([●]) Rights Equity Share for every [●] ([●]) Equity Shares, as held on the Record Date.

Our Company has received in-principle approval from BSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to its letter dated [●].

BASIS FOR THIS ISSUE

The Rights Equity 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 at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

RIGHTS ENTITLEMENTS

As your 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, you may be entitled to subscribe to the number of Rights Equity 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 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 Equity 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.satellitecorporate.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.

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.satellitecorporate.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 the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable Issue materials (“Issue Materials”) will be sent/ dispatched 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 Entitlement or Rights Equity 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 such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid email 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, see “Notice to Investors” and “Restrictions on foreign ownership of Indian securities” on page 11 and 118 of this Draft Letter of Offer.

PRINCIPAL TERMS OF THIS ISSUE

Face Value

Each Rights Equity Shares will be having face value of ₹10.00 (Rupees Ten Only).

Issue Price

Each Rights Equity Share is being offered at a price of ₹ [●] /- (Rupees [●] only) per Rights Equity Share (including a premium of ₹ [●] /- (Rupees [●] only) per Rights Equity Share) in this Issue.

The Issue Price for Rights Equity Shares has been arrived at by our Company in consultation with the Advisor to the Issue and has been decided prior to the determination of the Record Date.

Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] fully paid-up Equity Share(s) held by the Eligible Equity Shareholders as on the Record Date.

Rights of instrument holder

Each Rights Equity Share shall rank pari passu with the existing Equity Shares of the Company.

Terms of Payment

The entire amount of the Issue Price of ₹ [●]/-(including premium of ₹ [●] per Rights Equity Share) per Rights Equity Share shall be payable at the time of Application.

Where an Applicant has applied for additional Rights Equity Shares and is allotted a lesser number of Rights 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.

Renunciation of Rights Entitlements

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.

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.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off-market transfer. For details, see “*Procedure for Renunciation of Rights Entitlements*” on page 103 of this Draft Letter of Offer.

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.

Process of Credit of Rights Entitlements in dematerialized 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 Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to: (a) The demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and (b) A demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to: (i) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or (ii) Equity Shares held in the account of IEPF authority; or (iii) 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 (iv) 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 (v) Credit of the Rights Entitlements returned/ reversed/ failed; or (vi) The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting 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 [●]. The said ISIN shall remain frozen (for debit) till the Issue Opening Date and shall become active on the Issue Opening Date and remain active for renunciation or transfer during the Renunciation Period. 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.

Eligible Equity Shareholders 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 [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (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.

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 the Stock Exchange 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.

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE “PROCEDURE FOR APPLICATION” ON PAGE 100.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in the multiple of [●] Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Security if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder hold [●] Equity Shares, such Equity Shareholder will be entitled to [●] Rights Equity Share(s) and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/ her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than [●] Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Shares, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Ranking of Equity Shares

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the 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, the provisions of the Companies Act, 2013, FEMA, the SEBI (ICDR) Regulations, the SEBI (LODR) 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 the Stock Exchange and the terms and conditions as stipulated in the Allotment advice.

The Rights Equity Shares being issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Rights Equity Shares shall rank *pari-passu*, in all respects including dividend, with our existing Equity Shares.

Trading of the Rights Entitlements

In accordance with the ASBA Circulars and SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the BSE under ISIN [●]. Prior to the Issue Opening Date, our Company will obtain the approval from the BSE for trading of Rights Entitlements. Investors shall be able to trade 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.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchange on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be 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 [●] to [●] (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 Renouncees 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 103 of this Draft Letter of Offer.

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.

Credit Rating

As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

As per the SEBI – Rights Issue Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the issue opening date. On the Issue Closing date the depositories will suspend the ISIN of REs for transfer and once the allotment is done post the basis of allotment approved by the designated stock exchange, the separate ISIN: [●] for REs so obtained will be permanently deactivated from the depository system.

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI (ICDR) Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary procedures for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI (ICDR) Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number [●] dated [●]. Our Company will apply to the BSE 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 this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on Emerge platform of BSE bearing Scrip Symbol ‘YUG’ under ISIN ‘INE796W01019’. The Rights Equity shall be credited to temporary ISINs which will be frozen until the receipt of the final listing/trading approval from the Stock Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISINs and credited to the existing ISIN as fully paid-up Equity share of our company.

The listing and trading of the Rights Equity 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.

Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company. The temporary ISIN shall be kept blocked till the receipt of final listing and trading approval from the Stock Exchange.

In case our Company fails to obtain listing or trading permission from the BSE SME, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the BSE, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within 4 (Four) 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.

Subscription to this Issue by our Promoter and our Promoter Group

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see the paragraph titled “*Intention and participation by the promoter and promoter group*” under the chapter titled “*Capital Structure*” on page 32 of this Draft Letter of Offer.

Rights of holders of Rights Equity Shares of our Company

Subject to applicable laws, holders of the Rights Equity Shares shall have the following rights:

The right to receive dividend, if declared;

The right to vote in person, or by proxy, except in case of Rights Equity Shares credited to the demat suspense account for resident Eligible Equity Shareholders;

The right to receive surplus on liquidation;

The right to free transferability of Rights Equity Shares;

The right to attend general meetings of our Company and exercise voting powers in accordance with 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.

Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue.

GENERAL TERMS OF THE ISSUE

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 Equity Shares to non-resident shareholders including additional Rights Equity 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:

Subscribe for additional Equity Shares over and above their Rights Entitlements;

Renounce the Equity Shares offered to them either in full or in part thereof in favour of a person named by them; or

Apply for the Equity Shares renounced in their favour.

Applications received from NRIs and non-residents for allotment of Rights Equity 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 Equity Shares and issue of Rights Entitlements Letters/ letters of Allotment/Allotment advice.

Applications received from NRIs and non-residents for allotment of Rights Equity 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 Equity Shares and issue of Rights Entitlements 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 at www.satellitecorporate.com. 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 our 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 Application Form shall be sent to the e-mail address of non-resident 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 Equity Shares is permitted under laws of such jurisdictions. Investors can access the 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) from the websites of the Registrar, our Company and the Stock Exchange. The Board of Directors may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity 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.

Any non-resident shareholder who has applied in the Issue without submitting RBI approval and/or without providing Indian address, his/her application will be liable for rejection.

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.

Our 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.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to the Eligible Equity Shareholders only to

E-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses;

Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid email address to our Company;

Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company;

In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through e-mail 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 Equity Shares is permitted under laws of such jurisdictions.

Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the 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 e-mail addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit service@satellitecorporate.com. Investors can access the 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) from the websites of:

Our Company at www.yugdecor.com;

The Registrar at service@satellitecorporate.com;

The Stock Exchange at www.bseindia.com ;

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.yugdecor.com by entering their DP-ID and Client-ID and PAN.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue on the basis of the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the 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 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 Equity 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.

Investors may accept this Issue and apply for the Rights Equity Shares 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, or Investors are also advised to ensure that the 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 Application Form will be blocked by the SCSB; or

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the 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 109 of this Draft 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 an application that is available on the website of the Registrar and Stock Exchange or on a plain paper with the same details as per the Application Form available online. 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 104 of this Draft Letter of Offer.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

Apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or

Apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or

Apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or

Apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or

Renounce its Rights Entitlements in full.

PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS

Investors desiring to make an Application in this Issue through ASBA process, may submit 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 should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorization to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the 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 Application Form, please refer the above-mentioned link.

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, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

ACCEPTANCE OF THIS ISSUE

Investors may accept this Issue and apply for the Rights Equity Shares:

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, or

Please note that on the Issue Closing Date:

Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE, and

Applications submitted to anyone other than the Designated Branches of the SCSB

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 104 of this Draft Letter of Offer.

ADDITIONAL RIGHTS EQUITY SHARES

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. The Rights Entitlements comprise of 1 Rights Equity. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Rights Equity 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 109 of this Draft Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Pursuant to the SEBI Rights Issue Circulars, 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 Equity 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 the Stock Exchange; or (b) through an off -market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Rights Equity Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the 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.

OUR COMPANY ACCEPT 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 the Stock Exchange under the ISIN that shall be allotted for the Rights Entitlement subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is [●] Shares. To clarify further, fractional entitlements are not eligible for trading.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (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 ISIN [●] (for Rights Entitlement) that shall be allotted for the Rights Entitlement 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+2 rolling settlement bases, 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 the Stock Exchange and the 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 dematerialized 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 Renouncees 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 ISIN (for Rights Entitlement) that shall be allotted for the Rights Entitlement, 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.

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. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing 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 Application Form for any purpose including renunciation even if it is received subsequently.

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:

Name of our Company, being ***'YUG DECOR LIMITED'***.

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);

Registered Folio No./DP and Client ID No.;

Number of Equity Shares held as on Record Date;

Allotment option – only dematerialized form;

Number of Rights Equity Shares entitled to;

Total number of Rights Equity Shares applied for;

Number of additional Rights Equity Shares applied for, if any;

Total amount paid at the rate of ₹ [●]/- for Rights Equity Shares issued in one Rights Entitlement;

Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;

In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address, branch of the SCSB with which the account is maintained and a copy of the RBI approval obtained pursuant to Rule 7 of the FEMA Rules.

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 Equity Shares applied for pursuant to this Issue;

Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;

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); and

In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States 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 in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand that this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of the Company, 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 we, the Registrar or any other person acting on behalf of the Company has reason to believe is in the United States, or if such person is outside India and the United States, such person is not a corporate shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction. I/ We will not offer, sell or otherwise transfer any of the Equity 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 except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S under the US Securities Act (hereinafter referred to as ‘**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 (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.” In cases where multiple 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 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 www.kfintech.com.

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.

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 Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares 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.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or us Company, Eligible Equity Shareholders should visit www.satellitecorporate.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 and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

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;

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;

The Eligible Equity Shareholders can access the Application Form from:

The website of the Registrar at www.satellitecorporate.com;

Our Company at www.yugdecor.com and

The Stock Exchange at www.bseindia.com .

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.satellitecorporate.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 Eligible Equity Shareholders shall, on or before the Issue Closing Date, (i) submit 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 authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE 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 EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY 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. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 113 OF THIS DRAFT LETTER OF OFFER.

GENERAL INSTRUCTIONS FOR INVESTORS

Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process;

Please read the instructions on the Application Form sent to you;

The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees;

Application should be made only through the ASBA facility;

Application should be complete in all respects. The 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 the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English;

In case of non-receipt of 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 [•] of this Draft Letter of Offer;

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;

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.

Applications should be (i) 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 authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, (i) 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, and

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;

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 Application Form;

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 Equity Shares pursuant to this Issue shall be made into the accounts of such Investors;

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;

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;

In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the 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;

All communication in connection with Application for the Rights Equity 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 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;

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 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;

In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 02, 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;

Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law;

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;

Do's:

Ensure that the 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;

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;

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;

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.

Don'ts:

Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction;

Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;

Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application;

Do not pay the Application Money in cash, by money order, pay order or postal order;

Do not submit multiple Applications.

Do's for Investors applying through ASBA:

Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only;

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;

Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB;

Ensure that you have authorized the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same;

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;

Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form on a plain paper Application;

Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the 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 Application Form and the Rights Entitlement Letter;

Don'ts for Investors applying through ASBA:

Do not apply if you are not eligible to participate in this Issue under the securities laws applicable to your jurisdiction;

Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa;

Do not send your physical Application to the Registrar, 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;

Do not instruct the SCSBs to unblock the funds blocked under the ASBA process;

GROUND'S FOR TECHNICAL REJECTION

Applications made in this Issue are liable to be rejected on the following grounds:

DP-ID and Client-ID mentioned in Application not matching with the DP-ID and Client ID records available with the Registrar;

Sending an Application to the Registrar, 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;

Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money;

Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders;

Account holder not signing the Application or declaration mentioned therein;

Submission of more than one Application Forms for Rights Entitlements available in a particular demat account;

Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application;

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);

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;

Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB;

Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Draft Letter of Offer;

Physical Application Forms not duly signed by the sole or joint Investors;

Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, and money order, postal order or outstation demand drafts;

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;

Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs) or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) outside India and the United States and is a foreign corporate or institutional shareholder eligible to subscribe for the Rights Equity Share under the applicable securities laws or (b) a U.S. QIB in the United States, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form;

Applications which have evidence of being executed or made in contravention of applicable securities laws;

Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar;

Applications by a non-resident without the approval from RBI with respect to Rule 7 of the FEMA Rules;

DEPOSITORY ACCOUNT AND BANK DETAILS FOR INVESTORS HOLDING 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 EQUITY SHARES 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 APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE 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 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 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 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 Application Forms, the Investors would be deemed to have authorized 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 Equity 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, and Registrar 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 Application Forms are liable to be rejected.

MODES OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility or internet banking. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility or internet banking or Applicants are requested to strictly adhere to these instructions.

Mode of payment for non-resident Investors

As regards the Application by non-resident Investors, the following conditions shall apply:

Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain 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 Application Form shall be sent to (i) 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 (ii) the e-mail addresses of the foreign corporate or institutional shareholders.

The Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders at (i) 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 (ii) the e-mail addresses of the foreign corporate or institutional shareholders, in each case who make a request in this regard.

Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws;

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

In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act;

In case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India;

In case of an 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;

Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity 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;

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;

Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares;

MULTIPLE APPLICATIONS

In case where multiple Applications are made in respect the Rights Entitlements using same demat account, such Applications shall be liable to be rejected. However supplementary applications in relation to further Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application. 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*” below. Cases where Investor submits Application Forms along with plain paper or multiple plain paper Applications for same Rights Entitlements shall be treated as multiple applications.

In cases where multiple Application Forms are submitted, 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 Application Form or a plain paper Application is [●] i.e., Issue Closing Date. The Board of Directors 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 Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and the Application Money is not blocked with the SCSB on or before the Issue Closing Date or such date as may be extended by the Board of Directors, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and the Board of Directors shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the section, “*Basis of Allotment*” on page 109 of this Draft Letter of Offer.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE,

Please ensure that the 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, whether applying through ASBA facility may withdraw their application post the Issue Closing Date.

ISSUE SCHEDULE

Last date for Credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last Date for On Market Renunciation*	[●]
Issue Closing Date	[●]
Finalisation of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of Credit (on or about)	[●]
Date of Listing (on or about)	[●]

* *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 of Directors may however decide 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).

Our Board of Directors may however decide 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).

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 two Working Days prior to the Issue Closing Date, i.e., [●] 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.

BASIS OF ALLOTMENT

Subject to the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

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.

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 Equity 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.

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, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (1) and (2) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

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 (1), (2) and (3) 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.

Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of our Board in this regard shall be final and binding. After taking into account Allotment to be made under (1) to (4) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

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;

The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will e-mail Allotment advice, refund intimations or demat credit of Rights Equity Shares and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialized mode) or in a demat suspense account or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 (Fifteen) days from the Issue Closing Date. In case of failure to do so, our Company and the Directors who are "officers in default" shall pay interest at 15% (Fifteen Percent) p.a. and such other rate as specified under applicable law from the expiry of such 15 (Fifteen) 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.

Unblocking amounts blocked using ASBA facility.

National Automated Clearing House (hereinafter referred to as ‘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 centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including 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 centers where NACH facility has been made available by the 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 Credit or RTGS.

National Electronic Fund Transfer (hereinafter referred to as ‘NEFT’) – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (hereinafter referred to as ‘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 on 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.

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.

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.

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.

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 the non-resident Applicants, details of which were provided in the Application Form.

ALLOTMENT ADVICE OR DEMAT CREDIT OF SHARES

The demat credit of Shares to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) 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

THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR

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

DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE BSE 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:

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.

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.

The responsibility for correctness of information filled in the 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 Application Form should be the same as registered with the Investor's depository participant.

If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

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 Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders 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 Equity Shares to the Applicant's depository account.

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.

Renouncees 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.

PROCEDURE FOR APPLICATION BY CERTAIN CATEGORIES OF INVESTORS

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 -Offer 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.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Offer are advised to use the Application Form for non-

residents. 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 Shares held by it that are listed or proposed to be listed on any recognized 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 offshore 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 / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

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 recognized 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 the 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 issuance of the Rights Equity Shares to Restricted Investors will also require a 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 of the Government of India is required and such 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

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.

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 certificate from its statutory auditors or any independent chartered accountant based on the last audited 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 Shares; 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 Shares; or otherwise induces directly or indirectly a Company to allot, or register any transfer of, Shares 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 ₹ 10 lakhs 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 up to three times of such amount.

In case the fraud involves (i) an amount which is less than ₹10 lakhs 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 ₹50 lakhs or with both.

PAYMENT BY STOCKINVEST

In terms of 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 Rights 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 Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form to the Eligible Equity Shareholders upon submission of the Application.

Our Board of Directors of the Company 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 cases where refunds are applicable, such refunds shall be made within a period of 15 days. In case of failure to do so, our Company and the Directors who are “officers in default” shall pay interest at the prescribed rate. 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 Application Form carefully.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

The complaints received in respect of the issue shall be attended to by our Company expeditiously and satisfactorily;

All steps for completion of the necessary formalities for listing and commencement of trading at BSE, where the Rights Equity Shares are to be listed are taken within the time limit specified by the SEBI;

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;

Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 (Fifteen) days of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

Where release of block on the application amount for unsuccessful bidders or part of the application amount in case of proportionate allotment, a suitable communication shall be sent to the applicants;

Adequate arrangements shall be made to collect all ASBA applications;

Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

UTILIZATION OF ISSUE PROCEEDS

Our Board declares that:

All monies received out of issue of this Rights Equity Issue to the public shall be transferred to a separate bank account.

Details of all monies utilized out of this Right Issue referred to in clause (A) above 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

Details of all unutilized monies out of this Right Issue referred to in clause (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.

IMPORTANT

Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.

All enquiries in connection with this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed '[●]– RIGHT ISSUE' on the envelope and postmarked in India or in the email) to the Registrar at the following address:

SATELLITE CORPORATE SERVICES PRIVATE LIMITED

A/106-107, Dattani Plaza, East West Industrial Compound, Andheri Kurla Road, Safed Pool, Sakinaka, Mumbai-400072, Mumbai – 400 072.

Tel: 022-28520467/ 462

SEBI REGN NO: INR000003639

Email Id: service@satellitecorporate.com/info@satellitecorporate.com;

Website: www.satellitecorporate.com

Contact Person: Mr. Michael Monteiro

SEBI Registration No: INR000003639

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.satellitecorporate.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are +91-022-62638200.

This Issue will remain open for a minimum 15 (Fifteen) days. However, the Board of Directors 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 Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

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 manner in which 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 ("FDI") 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) (“DPIIT”), 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 Policy”) by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates 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 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 between FEMA and such policy pronouncements, FEMA prevails.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company fall under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

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 this 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.

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SECTION VIII – STATUTORY AND OTHER INFORMATION

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.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before 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 documents for inspection referred to hereunder, would be available on the website of the Company at www.yugdecor.com from the date of this Draft Letter of Offer until the Issue Closing Date.

Material Contracts for the Issue

- (i) Registrar Agreement dated January 18, 2024, entered into amongst our Company and the Registrar to the Issue.
- (ii) Escrow Agreement dated [●] amongst our Company, the Registrar to the Issue and the Bankers to the Issue.

Material Documents

- (i) Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
- (ii) Resolution of the Board of Directors dated January 12, 2024 in relation to the Issue.
- (iii) Resolution of the meeting of Board of Directors dated [●] finalizing the terms of the Issue.
- (iv) Resolution of the meeting of the Board of Directors dated [●] for fixing the Record Date.
- (v) Consent of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, the Registrar to the Issue for inclusion of their names in the Draft Letter of Offer in their respective capacities.
- (vi) Statement of Tax Benefits dated January 31, 2024 from the Statutory Auditor included in this Draft Letter of Offer.
- (vii) Tripartite Agreement dated March 03, 2017 between our Company, NSDL and the Registrar to the Issue.
- (viii) Tripartite Agreement dated February 20, 2017 between our Company, CSDL and the Registrar to the Issue.
- (ix) In principle listing approval dated [●] issued by BSE.

Any of the contracts or documents mentioned in this Draft 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 reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

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DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/- Mr. Chandresh S. Saraswat Managing Director	Sd/- Ms. Ankita Chandresh Saraswat Whole-Time Director
Sd/- Mr. Santosh Kumar Saraswat Non-Executive Director	Sd/- Mr. Abhay Rameshchandra Shrivastava Independent Director
Sd/- Mr. Rajesh Shah Independent Director	

SIGNED BY THE CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY

Sd/- Mr. Lokeshkumar Laxminarayan Edival Chief Financial Officer	Sd/- Mrs. Nidhi Devesh Bhatt Company Secretary & Compliance Officer
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Place: Ahmedabad

Date: February 10, 2024