



Value through values

Aiming for the
NEXT LEVEL *of*
GROWTH



Sangam (India) Limited

ANNUAL REPORT 2013-14

Forward-looking Statements

The report contains forward-looking statements that involve risks and uncertainties. When used in this discussion, the words like 'plans', 'expects', 'anticipates', 'believes', 'intends', 'estimates', or other similar expressions as they relate to Company or its business are intended to identify such forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company's actual results, performance or achievements could differ materially from those expressed or implied in such forward-looking statements. The Company undertakes no obligation or responsibility to publicly amend, update, modify or revise any forward-looking statements, on the basis of any new information, future event, subsequent development or otherwise.

THE REPORT *path*



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And miles to go...



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Financial Sections

KNOWING *yourself*
IS THE *beginning*
OF ALL *wisdom*,

~ Aristotle

A photograph of a grassy hill under a blue sky with a faint rainbow. The grass is dark and textured, and the sky is a clear, light blue with some wispy clouds. A faint rainbow is visible in the background, arching over the horizon.

AND *miles* TO GO...

RESTING ON PAST LAURELS DOESN'T LEAD TO A PROMISING FUTURE. INSTEAD IT BREEDS A FALSE SENSE OF COMPLACENCY, WHICH IN TURN ACTS AS A KEY IMPEDIMENT TO TEST ONE'S POTENTIAL OR THE ABILITY TO ACHIEVE MORE.

At Sangam (India), we have always believed in the power of persistence and moving on. Dynamism defines what we do at Sangam (India) - be it setting up an integrated business model - from yarn to fabric; be it leading the market in terms of leadership in PV yarns or be it establishing our brand in suitings and denim segments.

In 2014, we continued to remain dynamic and relevant with the changing times. We focused on strengthening our core business and exited the toll business completely. This led to a temporary loss in revenues but has led to an overall sharper focus on where we want to be in the times to come. With the economic sentiments improving both globally and in Indian context, our foundations built on the tenets of quality, design and affordability are all set to shape our growth story.

Being a quality textiles player catering to an entire spectrum of customers globally - from quality-conscious to price-conscious, we still believe that the best is yet to come. And that's why we continue to challenge our own selves to perform better. **Each day. Every way.**

A full-page photograph of two hikers on a mountain peak at sunset. The hiker on the right is standing on a rock with arms raised in triumph. The hiker on the left is standing with trekking poles. The background shows a hazy mountain range under a warm, orange and blue sky.

WHERE
HAVE WE *reached*

ROOTS

Established in 1984, Sangam (India) is the flagship company of Sangam Group – a ₹ 4000 crore+ business conglomerate having diverse business interests across textiles, steel, infrastructure, power and energy sectors. Sangam is led by Mr. RP Soni, Chairman & first generation entrepreneur.







LEADERSHIP

Sangam (India) ranks among the leading players in Indian textiles sector with presence in PV (polyester viscose) dyed yarn and fabrics. Market leader in PV dyed yarn with about 25% share.

PEOPLE

7000+ employees across four locations

FULLY INTEGRATED PRODUCT PORTFOLIO

-  Yarns - PV and Cotton
-  Texturized yarn
-  Woven fabrics
-  Branded suiting
-  Denim fabric
-  Wind power

PROCESSES & CAPACITIES

Division	Production Capacity
Spinning (Ring Spinning)	201216 Spindles / 55000 MT p.a.
Spinning (Open End)	3908 Rotors/17000 MT p.a.
Synthetic Fabric	18 Million Meter p.a.
Denim Fabric	32 Million Meter p.a.
Fabric Processing	53 Million Meter p.a.
Knitting Fabric	18 Machines /3000 MT p.a.
Texturized Yarn	7200 MT p.a.
Thermal & Wind Power	36 MW

LOCATIONS OF PRESENCE

Corporate office

Mumbai, Maharashtra

Registered office

Bhilwara, Rajasthan




Manufacturing facilities

Biliya, Bhilwara

Sareri, Bhilwara

Atun, Bhilwara

OWN BRANDS

-  Sangam Suitings
-  Sangam Denims
-  Sangam Yarns

MARKETING NETWORK

More than 100 dealers and 1000 retailers across India

LISTING

National Stock Exchange (Scrip code – SANGAMIND) and the Bombay Stock Exchange (Scrip code – 514234).

PERFORMANCE *speaks* LOUDER

WE CONTINUED TO PERFORM DESPITE CHALLENGES

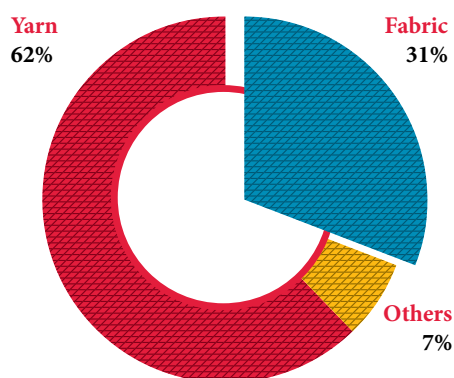
- Exited the road toll collection business to ensure greater focus on core business of textiles
- Total yarn production in 2013-14 is 60722 M.T.
- Total fabrics production in 2013-14 is 18.64 mn meters
- Total exports increased from ₹300.75 crore in 2012-13 to ₹342.34 crore in 2013-14

- Strengthened brand footprint and dealer network in our denim business

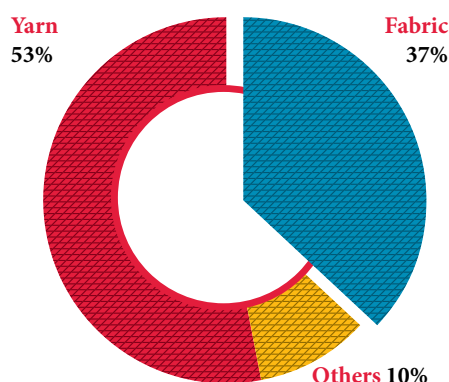
FINANCIAL PERFORMANCE

- Net revenues of ₹1432.61 crore in 2013-14 vs. ₹1478.84 crore in 2012-13
- EBIDTA ₹195.74 crore in 2013-14 vs. ₹214.45 crore in 2012-13
- Net profit ₹40.50 crore in 2013-14 vs. ₹51.30 crore in 2012-13

PRODUCT-WISE REVENUES (%)

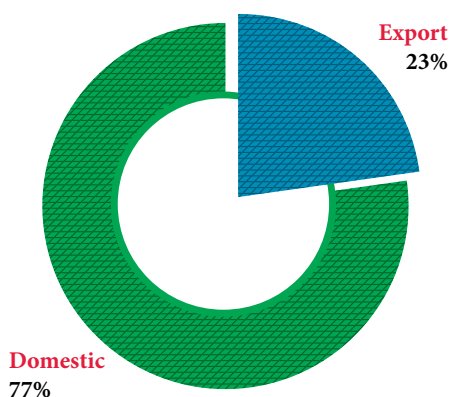


2013-14

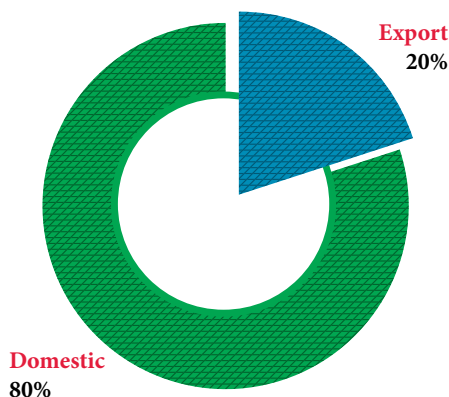


2012-13

GEOGRAPHY-WISE REVENUES (%)

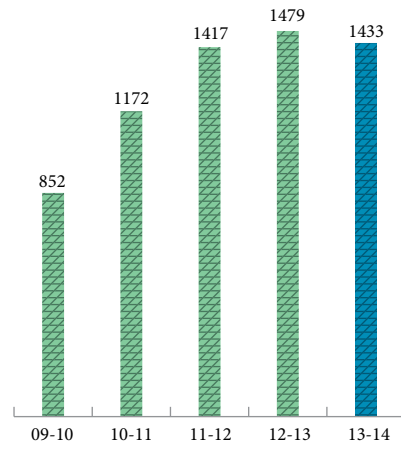


2013-14

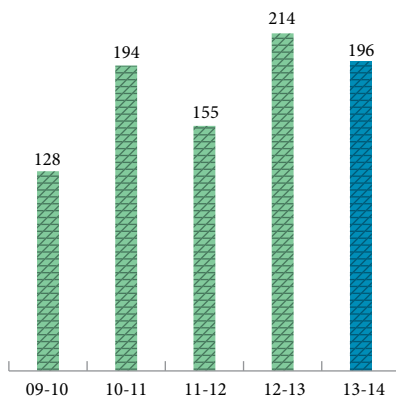


2012-13

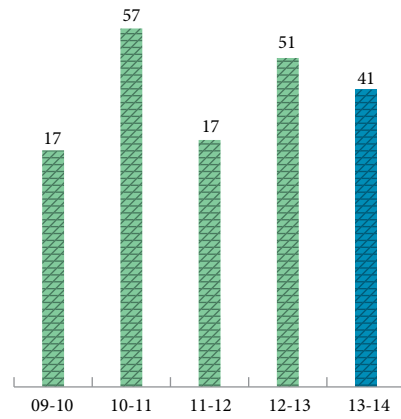
NET TURNOVER (₹ in crore)



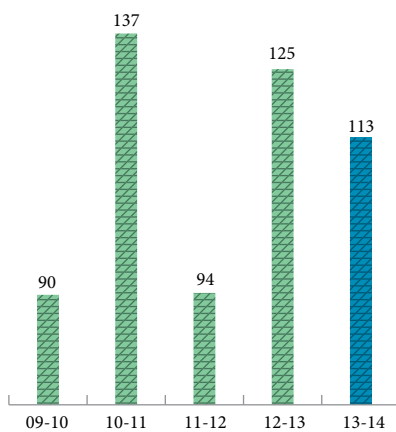
EBIDTA (₹ in crore)



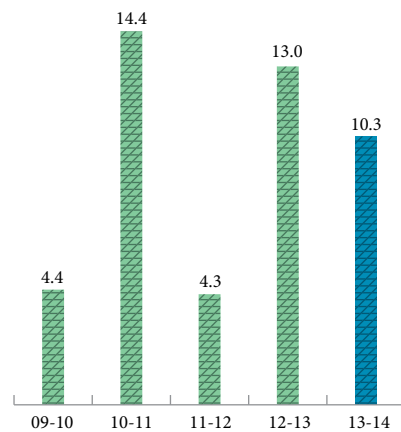
NET PROFIT (₹ in crore)



CASH PROFIT (₹ in crore)



EARNING PER SHARE (₹)



THE *best* WAY
TO PREDICT
THE *future* IS
TO STRIVE TOWARDS IT.

Shri RP Soni reviews the
performance of the past year and
shares his insights on Sangam
India's future plans



FUTURE IS EVER-CHANGING AND ALWAYS EVOLVING. THEREFORE THE BEST WAY TO STAY RELEVANT IN AN INCREASINGLY COMPETITIVE SPACE LIKE TEXTILES IS TO CONTINUOUSLY CHALLENGE ONESELF TO STRIVE HARDER. AT SANGAM (INDIA) WE HAVE NOT BUILT A CULTURE TO SUCCEED BUT TO EXCEL. IN THE PAST 30 YEARS SINCE OUR INCEPTION, WE HAVE NOT ONLY ESTABLISHED OUR CREDENTIALS AS A LEADER IN THE PV YARN AND FABRICS; BUT MORE IMPORTANTLY, HAVE ALSO ESTABLISHED A CULTURE OF DELIVERING PERFECT QUALITY AND CUSTOMISED QUANTITY, WHILE BEING AGNOSTIC TO THE CHALLENGES.

2013-14 was therefore a year of further strengthening our foundations. We continued to explore possibilities to improve quality, control costs and fortify scale in each of our businesses. We focused on improving the access to key markets through strengthening our dealer network in key cities and towns. We focused on improving the brand recall around “Sangam Suitings” through a concerted advertising campaign featuring renowned actor and our brand ambassador Mr. Ajay Devgn. We also continued to focus on improving efficiency across processes by modernising several of them through incremental investments. Being a leader is all about rediscovering one’s strengths and setting newer standards. Our efforts sustained in this direction also gave us valuable edge during the year under review with the appreciation of dollar. Our exports improved by 14% from ₹301 crore to ₹342 crore, thereby enabling us to fill the temporary vacuum created by our exit from the toll-collection business.

2013-14 was also a year of honing our focus. In the past few years, we encountered a tumultuous period in the textiles industry, thereby diversified to infrastructure sector to improve our top line and margins. While the investments were largely limited to fiduciary commitment, the rewards were better than expected. However, sometimes one has to give up the smaller things to achieve greater feats. At Sangam, we have always believed textiles to be our mainstay and core business. With the economic environment improving globally and in India, it was time for us to focus exclusively on our strength. And that’s where we decided to exit toll-collection project. This has led to small erosion visible in our revenues and margins for the year. But looking at the bigger picture, we are confident that such erosion will be a small blip in an otherwise sustained growth story envisioned by the company in the coming years.

2014-15 is expected to be even crucial year. The year has unfolded amidst mass-euphoria of being a stepping-stone to a promising future. The signs are visible, though early days. Indian textiles industry is shaping well in light of increasing consumption, demographic advantage, improving purchasing power and improved aspirations. To tap the trends, our focus on denims, PV fabrics and suitings are gradually paying off. The need now however is to expand the scale in respective businesses. The blueprint of the expansion to be undertaken is already prepared and in the coming months we will embark on expansion for our capacities and also improve our product portfolio to focus on value-added products.

We would like to thank our stakeholders, investors, employees and customers for their unstinted support. We remain confident in the effectiveness of our present efforts to translate into better results going forward.

RP Soni, Chairman



IT DOESN'T
MATTER
HOW *slowly you go*
AS LONG AS
you don't stop

Value creation is a long-term strategy. One has to persist through ups and downs and yet remain focused on the bigger picture. At Sangam, we have strived each day to create value through small steps. Having started three decades ago, we have continuously invested into creating an ecosystem through products and processes. Our efforts in PV Yarn and fabrics have been rewarded us with leadership positions in the segments and we have also fortified our capacities since 2005.

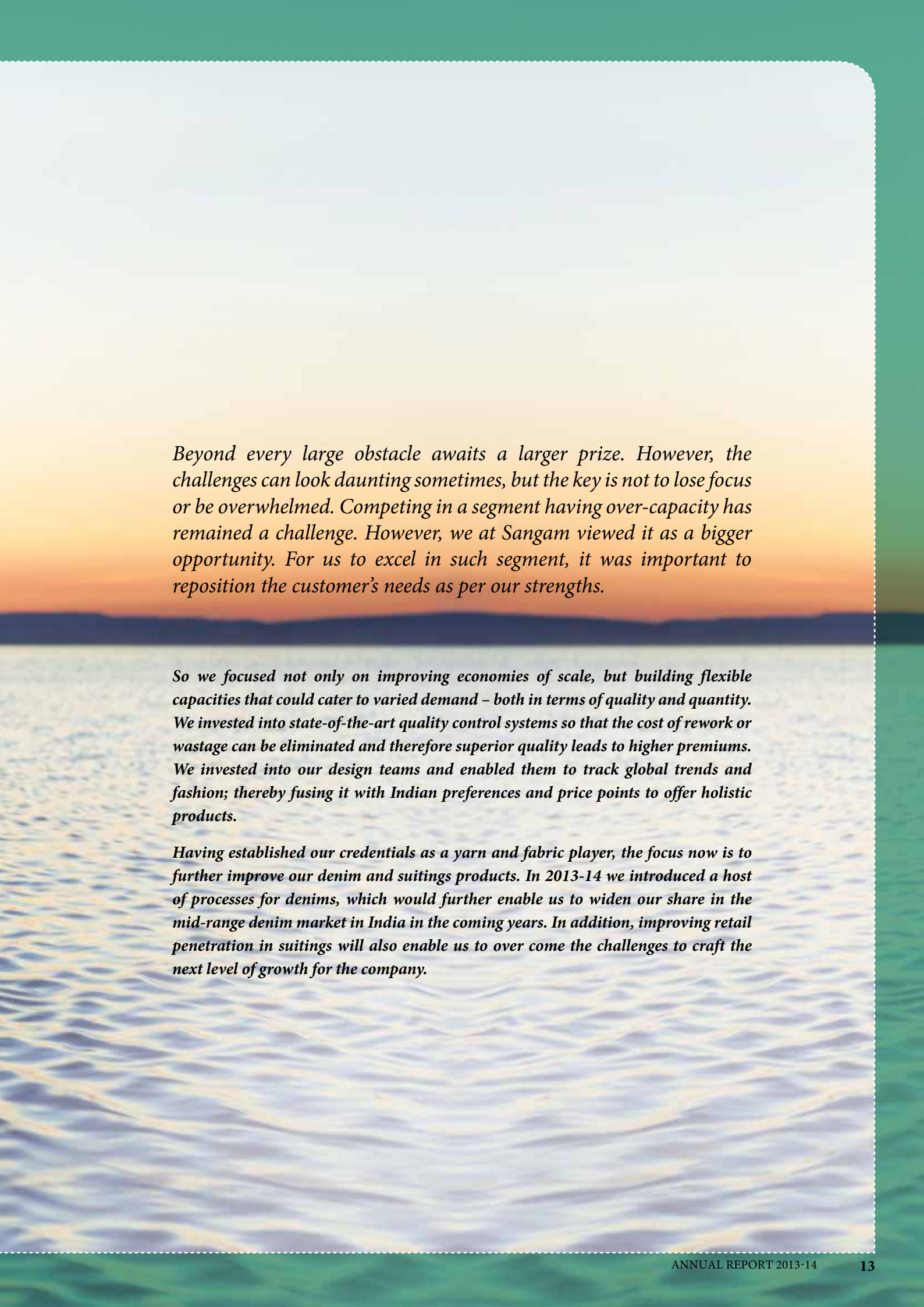
This enabled us to capitalise upon the evolving fashion trends and rising consumption among Indians in the past decade. We further ventured into branded suitings and denim – which have fleshed out to be the key drivers of our growth in the past two years. Today, Sangam has expanded its presence from the homes to board-rooms to clubs – in the lives of our customers. We are not celebrating yet. Instead, gearing up for the next wave of growth.



In the coming years, our focus will be on expanding our existing capacities in yarns, fabrics and denim and also expand our product profile to include value-added products. We believe that value creating is like running a marathon – its not a competition with everyone else but one's own self. And to this end, we continue to take longer strides.

PERSISTENCE
prevails
WHEN ALL ELSE *fails*






Beyond every large obstacle awaits a larger prize. However, the challenges can look daunting sometimes, but the key is not to lose focus or be overwhelmed. Competing in a segment having over-capacity has remained a challenge. However, we at Sangam viewed it as a bigger opportunity. For us to excel in such segment, it was important to reposition the customer's needs as per our strengths.

So we focused not only on improving economies of scale, but building flexible capacities that could cater to varied demand – both in terms of quality and quantity. We invested into state-of-the-art quality control systems so that the cost of rework or wastage can be eliminated and therefore superior quality leads to higher premiums. We invested into our design teams and enabled them to track global trends and fashion; thereby fusing it with Indian preferences and price points to offer holistic products.

Having established our credentials as a yarn and fabric player, the focus now is to further improve our denim and suitings products. In 2013-14 we introduced a host of processes for denims, which would further enable us to widen our share in the mid-range denim market in India in the coming years. In addition, improving retail penetration in suitings will also enable us to overcome the challenges to craft the next level of growth for the company.

IF OPPORTUNITY
DOESN'T *knock*,
BUILD A *door*





Waiting is painful. Waiting demands patience. Waiting is subject to the mercy of uncontrollable factors. At Sangam, we believe in creating opportunities rather than waiting for them. In an otherwise leaner economic phase of 2009-14, we focused on strengthening each and every aspect of our business. The focus in 2013-14 was to reclaim the fiduciary strength, which we did by paying-off our loans and consolidating our business presence.

In doing so, we also created key growth drivers – one of which was scale. Having built large scale enabled us to translate the opportunity into numbers in terms of exports. During 2013-14, our exports earnings improved by 14% and we continued to seed market presence in countries like Turkey, Portugal, Egypt, China, Poland, Brazil, Germany, Belgium, Chile, Italy, Australia, Japan, UK, USA UAE, South Africa, etc.

We are now gearing for the next stage of expansion – with foray into seamless garment segment. Seamless Garment technology is advancement in apparel industry, which eliminates the fabric laying, cutting and sewing process. By eliminating the cutting and sewing process, complete garment knitting provides a variety of advantages in knitting production such as saving in cost and time, higher productivity, quick response production, homogeneity, etc. This project would further add greater value to our brand and would be a strategic fit to our existing portfolio.

SEE *beyond* WHAT IS *visible*

Trends, fashion, and preferences – all change with time. The mantra of being successful is to not only keep in-sync with the times but to plan ahead. India is evolving faster as we speak. The immense opportunity in terms of world's largest working population is visible yet is expected to age faster than other developed countries. The opportunity is therefore to keep the traits of affordability and wide choice intact, when it comes to reaching out to customers.

At Sangam, we have laid a strong, exhaustive and credible network of dealers and clients. This network enabled us to tap the changing trends in terms of demand, product preferences and customer insights for all the relevant markets. This mechanism has enabled us not only to market our products (old and new) seamlessly; but more importantly have enabled us to remain competitive and not get complacent. As a result, we have continuously ensured that both our costs and margins remain intact in wake of rising input costs.



Our ability to invest into long term value creation – be it our denim business or our PV Yarn business has also led to sustained build-up of demand and brand recognition. Our ability to spot, employ and nurture the right talent across our locations has resulted in creation of an intellectual melting pot of sorts – thereby empowering us to think beyond what meets the eye. And to wade through deeper waters by creating the right ripples.

Aspire, NEVER TO HAVE MORE, BUT *to be more*

At Sangam India, we believe that we are more than what we do. A business or corporate being a microcosm of the society can also play an active and efficient role in creating a better world. At Sangam, we have always invested the time and resources to create an ecosystem comprising of education, healthcare, environment and employment creation for the communities we work with.

Some of the notable initiatives taken by the company are:

Education

- *Sangam School of Excellence, An ISO 9001:2008 Certified School, among the most modern education facilities in the State of Rajasthan and is affiliated with CBSE and IB (IGCSE).*
- *Institute of Technology and Management, which is approved by AICTE and Government of Rajasthan. It has all the modern facilities for the Engineering and MBA Students.*
- *Sangam University in Bhilwara, Rajasthan, recognised by UGC under the UGC Act*

Healthcare

Smt. Kesar Bai Soni Memorial Hospital & Research Centre assisted by Apollo Hospital - a state-of-the-art hospital, which has the best-in-the-region facilities in primary, diagnostic and tertiary healthcare. The hospital has 100 beds and is served by a highly experienced and motivated team of doctors and support staff.

Employment

Sangam Industrial Training Centre for development of skilled manpower.



Environment

Being an environment-conscious company, we regularly organizing green initiatives across Bhilwara, spreading awareness about ecosystem preservation and energy conservation.

MANAGEMENT DISCUSSION AND ANALYSIS

Economic Overview

2013 was a year of recovery for the global economy. With the struggle persisting in developed markets (the Eurozone in recession for much of the year) and living standards in most of the developed world still below their 2007 peak. 2013-14 witnessed two great stories in the world economy: the structural shift from the developed world towards the emerging world; and the cyclical climb out of a recession. The first continued in first half of the financial year, but at a slightly slower pace than before. Growth in China, at 7.5 per cent, was its slowest for 23 years. Things also slowed in India, to a little below 5 per cent, far slow when compared to the past eight years. Africa, encouragingly, grew by more than 5 per cent.

As for the second story, in the developed world what had started as an uneven and patchy recovery began to strengthen. The US, despite having to cope with feuding over its budget, seems to have sped up. It has been creating jobs and its housing market improved sharply. In Europe there was a better story too, though an uneven one. The north, led by Germany, had a solid year, reducing unemployment and boosting living standards. Across the Mediterranean the pattern was more disappointing, with Italy, Spain, Portugal and Greece all enduring a year of rising unemployment. However, the numbers have started to improve. Europe and the euro are not out of trouble, but the acute phase of their difficulties may be past. 2014-15 expects to deliver which much better and more balanced growth than any year since 2007.







Indian Textile Industry contributes about 11 percent to industrial production, 14 per cent to the manufacturing sector, 4 percent to the GDP and 12 per cent to the country's total export earnings.

Indian Economy

Just when the Indian economy couldn't get any lower in terms of performances, 2013-14 is expected to breach the 5.5 per cent mark to reach near 5 per cent; its lowest in the past decade. The uneven political climate led to stagnant economical scenario – thereby leading to lower infusion of investments in to infrastructure and core industries – also leading to lower capex and less job creation. The inflation remained on the higher side, thereby reducing the disposable income and leading to lower consumer spends. The banking system in India continued to grapple with rising delinquencies and higher scrutiny from the regulators. The process for new licenses was set into the motion, with the onset of the new Governor. The rates were increased a couple of times to counter the rising inflation, thereby leading to turning off the tap to bare minimum when it came to funding at competitive rates by the banks. The core industries and the infrastructure sectors witnessed lower traction in terms of activity, thereby leading to lukewarm economic activity across key states.

TEXTILE INDUSTRY OVERVIEW

Sectoral snippets






-  Largest employment generating industry in India, contributing over 11% to total industrial production and 12% to India's export earnings.
-  Industry is expected to double to USD141b in the next seven years.
-  Currency advantage, cotton availability, skilled and cheap labor, subsidized capital from government and growing capacities provide huge potential.
-  Impediments such as capital availability and labor reforms are likely to be addressed soon by the government

Indian

Indian Textile Industry contributes about 11 percent to industrial production, 14 per cent to the manufacturing sector, 4 percent to the GDP and 12 per cent to the country's total export earnings. It provides direct employment to over 35 million people, the second largest provider of employment after agriculture. Besides, another 54.85 million people are engaged in its allied activities.

The fundamental strength of this industry flows from its strong

production base of wide range of fibres / yarns from natural fibres like cotton, jute, silk and wool to synthetic /man-made fibres like polyester, viscose, nylon and acrylic. We can just track the strong multi-fibre strong base by highlighting the following important positions reckon by this industry across globe are:

-  **Cotton** – Second largest cotton and cellulosic fibres producing country in the world.
-  **Silk** – India is the second largest producer of silk and contributes about 18% to the total world raw silk production.
-  **Wool** – India has 3rd largest sheep population in the world, having 6.15 crores sheep, producing 45 million kg of raw wool, and accounting for 3.1% of total world wool production. India ranks 6th amongst clean wool producer countries and 9th amongst greasy wool producers.
-  **Man-Made Fibres** – the fourth largest in synthetic fibres/ yarns globally.
-  **Jute** – India is the largest producer and second largest exporter of the jute goods.

The report of the Working Group constituted by the Planning Commission on boosting India's manufacturing exports during 12th Five Year Plan (2012-17), envisages India's exports of Textiles and Clothing at USD 64.41 billion by the end of March, 2017.

Performance in 2013-14

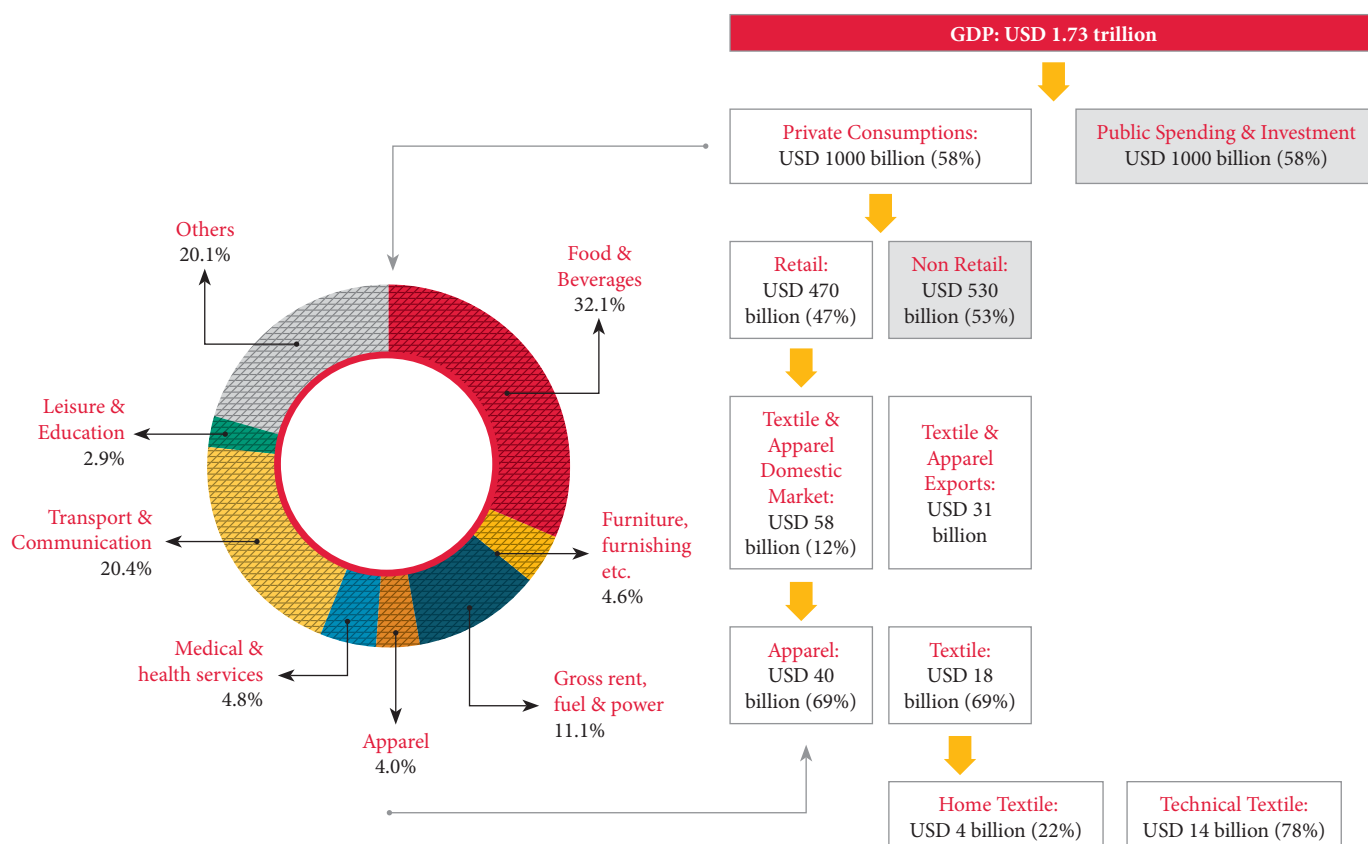
Textiles did remarkably well in an otherwise dull exports scenario in 2013-14. A weaker rupee and firm overseas demand helped the sector add \$4 billion to overall exports of \$312 billion, second only to engineering goods, which accounted for a \$4.83-billion increase. Textile exports were worth \$30.37 billion in 2013-14, up from \$26.36 billion in the previous year - a growth of 15.24 per cent, compared to a decline of 3.11 per cent in 2012-13. All major segments in the sector grew at a healthy rate. Readymade garments, which accounts for nearly half of all textile exports at \$14.93 billion, grew 15.53 per cent. Cotton yarn and fabrics grew 18 per cent to \$8.88 billion, while manmade textiles grew nearly 13 per cent to \$5.69 billion.

According to commerce ministry data, the share of textiles in export earnings increased from 8.78 per cent in 2012-13 to 9.72 per cent in 2013-14. Overall exports grew four per cent to \$312.6 billion in the year ended March 2014. Had textile exports remained unchanged, overall export growth would have been less than three per cent.

FDI on the rise

Signalling a positive shift in investor sentiment in India's textile industry, the country attracted \$198.86 million foreign capital in the sector during April-March 2013-14, up 91.41 percent. The country had attracted foreign direct investment (FDI) of \$103.89 million during April-March, 2012-13. According to the Textiles Ministry, the FDI inflow in the sector so far stood at \$11.70 million during April-May, 2014-15. The government's implementation of various schemes like technology upgradation fund scheme (TUFS), scheme for integrated textile parks (SITP), integrated skill development scheme (ISDS) have continued to attract maximum utilisation of FDI in textile sector during the year under review.

APPARELS – A NEW GROWTH STORY



India's total textile and apparel industry size (Domestic + Exports) was estimated to be USD 89 billion in 2011 and is projected to grow at a CAGR of 9.5% to reach USD 223 billion by 2021.

Denim segment – a key growth driver

India is the second-largest producers of denims after China. Of the total denims manufactured in India, 700 million metres are used in the domestic market and the rest is exported. The denim market in India is growing at a very fast pace, with the market for branded jeans constituting over ₹ 2,000 crore in the country. India is growing at the rate of 10-15% per year. While an American owns an average of eight pairs of jeans, an Indian has just a fraction, at 0.35, with even a Chinese national ahead with one pair of jeans bought every year.

The denim market is witnessing both value and volume growth. While the mid-value segment is driving volume growth, the value growth is due to increased demand in enhanced product attributes-

Key demand drivers

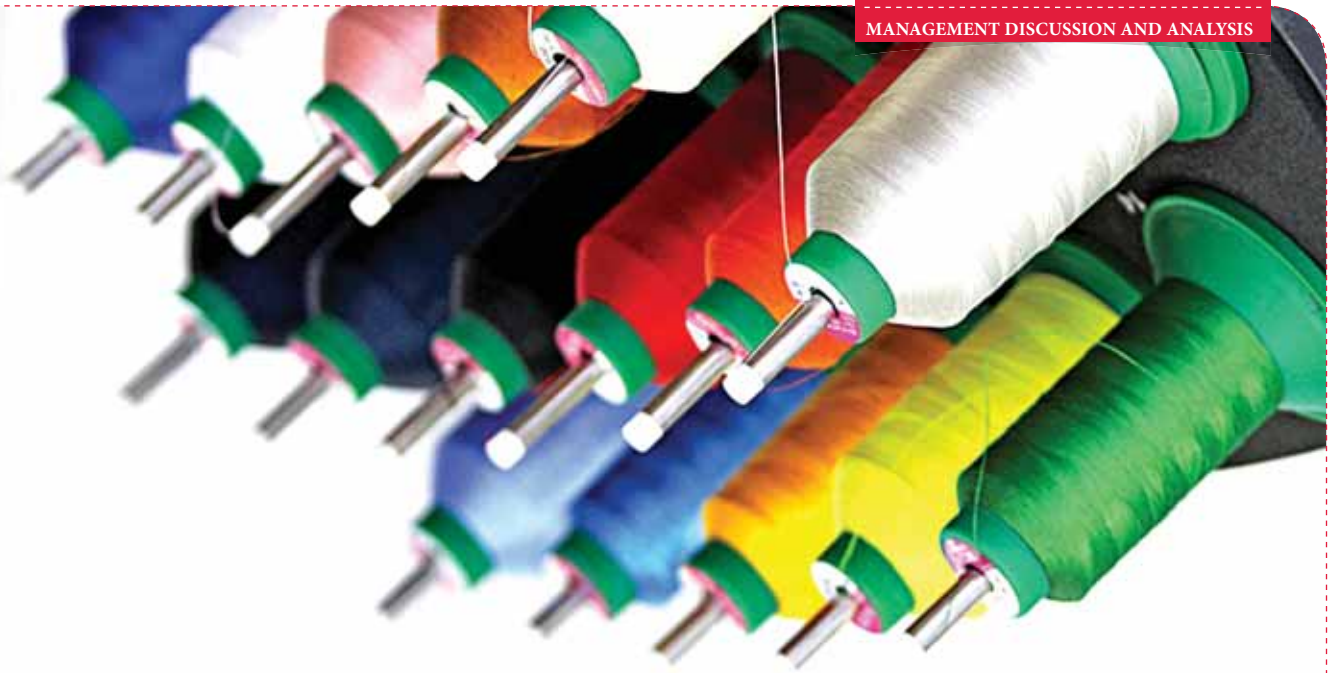
Favourable demographics: The Indian demographic age is ripe for consumption where style dominates utility. The median age of the Indian consumer is 26 years with maximum population lying in the age bracket of 15- 59 years; it is expected that India will add another 140 mn people in the consuming age group by 2020. This population has more aspirations, is more aware, has higher spending power and is expected to consume across a greater number of categories than the previous generation.

Higher disposable income: According to the Indian census report, the number of households with an annual income of \$7,000 or more is going to treble from about 30 mn today to 100 mn by 2020. There will be c.400 mn individuals in the middle to high income bracket by 2020.

fashion quotient, stretch and lightweight fabric, styling and detailing. Today, it is the fastest growing apparel segment in India, with the growth estimates expected to clock between 15-18% range for 2011-21.

The current denim market is largely skewed towards men's segment, which can be taken as about 80% of the total market. The women's wear market is projected to grow faster here onwards and will potentially account for about more than 25% of the total market by 2015. Currently the larger cities and the metros together contribute nearly 57% of the total market.

The current market size of denim wear in India is largely skewed towards the Metros and mini metros. Metros and mini metros with



about 7% of population contribute to about 50% of the market share in denim wear. The tier 2 and tier 3 cities - which again, constitute about 8% of the population, contribute only a 16% of the market share in denim wear.

MMF Industry

India is fifth largest producer of synthetic fiber and yarn in the world. Polyester, nylon, acrylic and polypropylene are the major synthetic fibers. Viscose, which is cellulosic fiber, is also included in the man-made fibres basket. MMF has beaten cotton in global

textile trade, constituting 68% of it. But India accounts for only 3% of the global manmade textile exports as cotton dominates the Indian textile industry.

A recent industry research report says that factors like rise in disposable income, growing consumer class, rising urbanization, increasing retail penetration and limited supply of cotton is set to increase the consumption of man-made fibres (MMFs) like polyester and viscose in India at a compounded annual growth rate of 5.2 per cent till 2015-16.

COMPANY OVERVIEW

	Yarn	Fabric
Revenue share	PV Yarn – 48%	PV Fabric – 14%
	Cotton Yarn – 14%	Denim – 17%
Geographic presence (by revenue share)	Domestic – 74%	Domestic – 76%
	Exports – 26%	Exports – 24%
Market position	Has ~25% share in the Indian dyed PV yarn market, as indicated by the management	Highly fragmented industry with large number of unorganised players
End market	Synthetic and cotton fabric manufacturers	Synthetic garments and apparel manufacturers
Demand drivers	Consumption by the domestic synthetic shirting and suiting segment	
	Favourable price competitiveness of PV yarn vis-a-vis cotton yarn	
	Shift in preference for apparels made from blended fabric rather than cotton fabric	
	Growing preference for denims as daily wear	
Margin drivers	Demand conditions	Cost of raw material
	Cost of raw material, PSF and VSF	Backward integration: Yarn produced in-house meets the entire requirement for denim fabric
	Cost of substitute, cotton yarn	
Key risks	Volatility in prices of PSF and VSF High dependence on key vendors for PSF and VSF requirements	Recent entrant in the branded fabric space; hence faces stiff competition from established brands

COMPANY OVERVIEW

Sangam (India) Ltd (SIL) is the largest player in the dyed poly viscose (PV) yarn market in India. At Bhilwara in Rajasthan, the company operates its state-of-the-art facilities to produce synthetic and blended dyed/grey spun yarn, cotton yarn and fabrics (synthetics blended, denim and knitted fabrics). It also has facilities for fabric processing.




Manufacturing Capacity

Particulars	FY12	FY13	FY14
Installed Capacity (in spindles) at Biliya Kalan	96864	96864	96864
Installed Capacity (in spindles) at Sareri	104352	104352	104352
Fibre Dying capacity (In % of finished Production)	100%	100%	100%
Installed Capacity Rotors at Sareri	4096	3904	3908
Installed Capacity (in nos looms)	381	381	381
Power Plant (in MW) at Biliya Kalan	16	16	16
Power Plant (in MW) at Sareri	15	15	15
Wind mill (in MW) at Jaisalmer	5	5	5

Financial performance

The Company registered turnover of ₹1433 crores in 2013-14 as against ₹1479 crores in 2012-13. The turnover was lower in the year under report due to closure of toll business during the year. However the other operations of the Company remained stable during the year.




YARN DIVISION

-  **Locations:** Biliya Kalan and Sareri, Rajasthan
-  **Products:** PV Yarn, PV-Dyed Yarn and Cotton Yarn
-  **Capacities:** 96,864 spindles in Biliya Kalan and 104352 spindles in Sareri

Sangam (India) continues to be the leader in the Indian PV yarn market with a share of 25%. The company is also the largest producer of blended dyed yarn in the country in a single location. On account of its large scale and through product innovation capabilities, Sangam is also the price leader in certain counts such as 2/15s and 2/18s. With the Indian PV yarn market expected to benefit from favourable demographics, faster replacement cycle and rise in fashion conscious consumer base; Sangam is positioned to improve its market share in the segment in both Indian and global textile industry.

FABRICS DIVISIONS




P/V Fabrics

-  **Location:** Atun, Rajasthan
-  **Products:** PV fabrics, processed fabrics
-  **Capacity:** PV fabrics – 18 mn meters; Processed fabrics – 53 mn meters

Sangam's roots lie in the fabric business. Started as fabric manufacturer, Sangam expanded its presence into PV yarn as a backward integration initiative. The company offers wide range of woven PV fabrics, used for Suitings and trousers. The fabric division offers exhaustive range of processes, which enable it, offer holistic solutions to its value-led as well as volume-led clients. This division also extended the company's presence in the readymade garments

segment, as a further step in forward integration. The company also offers branded suiting fabrics apart from readymade suits.

Denim Fabric

-  **Unit:** Biliya Kalan, Rajasthan
-  **Products:** Denim Fabric
-  **Capacity:** 32 mn meters

The company ventured into denim fabric manufacturing in 2009. The company intended to extend its presence in the affordable segment to cater to the aspiring customers for casual dressing. Denim segment, being the fastest growing segment, offered the required strategic fit to our existing businesses – of Cotton & PV yarns and its ability to create diverse style fabrics. Today, the company ranks among the leading denim manufacturers in the country.

STRENGTHS

Product range

Being a preferred PV yarn supplier to global textile companies, Sangam offers a wide variety of yarns – from cotton to PV to textured. The company has indigenously developed capabilities to offer both – varied quantity and diverse quality, customised to the needs of its customers globally. With a colour bank of more than 5,000 shades and produces 6-50 counts of yarns, Sangam offers single ply, double ply, grindle, roving grindle, core spun, slub and other fancy yarns, making it a one-stop shop for fabric manufacturers. The company has also partnered various brands to introduce new varieties of man-made fibres, adding considerable value to its products.

Quality

Sangam caters to a highly demanding clientele when it comes to product quality. This ability of the company – to ensure the superior product quality is delivered every time, without any exceptions. The company has invested in state of the art machines offering latest technology, and also uses the best grades of raw materials. A dedicated and fully equipped quality control department comprising of qualified quality personnel and strict processes continuously monitors the company's operations. Sangam's units are equipped

with world-class and advanced quality testing equipment like Uster tester, evenness tester and hairyness tester – all of them ensure that the yarn produced is free of neps and other faults like low strength, colour-fading, low strength, unevenness in colour, etc. Owing to its ability to offer consistent quality, the company's yarns command a premium at key markets. All its units are ISO 9001:2000 certified.

The company extends its beliefs and practices on quality to its fabrics division as well. In addition to stringent and continuous checks, the company conducts tests such as colourfastness test, light fastness test, rubbing fastness test, pilling test, residual shrinkage test, checking of cloth construction parameters and the comparison of the finished fabric with the customer's specifications; thereby ensuring a superior product at affordable price to its clients.

Research and development

Textile, like all other industries largely depend on research and development to evolve and keep in sync with consumer's comfort, affordability and durability demands. Sangam's ability to keep pace with the latest trends in the global industry where product cycles are short and replacement cycles shorter solely are attributable to the innovative culture in the organisation. Sangam's research teams constantly try to develop new and value-added products and introduce colour shades to suit the end use of its customers. With a credible team of research professionals from the sector, Sangam ensures its evolution to remain a competitive and quality conscious player remains on track.

Raw material management

Sangam procures polyester from Reliance Industries Limited and viscose from Grasim Industries' unit at Nagda. The procurement process is backed by proper production planning based on the expected delivery schedules for each month.

The company meets the entire cotton yarn requirement for the denim fabric division through in-house production. The synthetic fabric division too largely acquire top class raw materials from sister-units. Sangam considers each of its units as a profit centre and all inter-unit sales are made on market prices. Fabric divisions are free to acquire raw materials from other manufacturers if they get better price coupled with the same quality. The unit is proximate to its major raw material sources, ensuring uninterrupted supply at competitive prices.

Cost control

Sangam (India) has a real-time cost control system. The company continuously monitors its operations and takes proactive initiatives across its units towards improvement of operational efficiencies and reduction of avoidable costs (not at the cost of quality) thereby staying competitive and protecting its margins.

Marketing and selling

The company focused on improving the reach for its products across

key consumption centers in India during 2013-14. The company undertook several initiatives at the dealer levels to establish and improve the brand recall for its Suitings and Denims among the retailers and wholesalers. The company also introduced a new face of 'Sangam Suitings' by retaining Mr. Ajay Devgan, the renowned Indian actor as its brand ambassador during 2013-14.

INFORMATION & TECHNOLOGY

To use information technology (IT) extensively in its operations to achieve greater productivity and efficiency, The company has implemented a customized SAP solution for its various spheres of diverse activities of spinning, weaving and processing.

HUMAN RESOURCES

At Sangam India, employees are not only considered to be the stakeholders in the corporate growth but also are the key drivers of its performance. The Company always endeavors to provide an environment that encourages talented professionals to perform to their fullest potential. The Company owes its success to its loyal and efficient human asset. The Company believes that, by effectively managing and developing human resources, it can achieve its vision. It imparts specialized and technical training to its employees at regular intervals, which enrich their knowledge, skill and competency to perform their job effectively and efficiently. This also encourages employees to shoulder more responsibilities and take part in the growth of the Company's business. The Human Resource strategies aim at attracting, developing and retaining talent pool in the Company. As on 31.03.2014 the number of employees was about 7000. The industrial relations were also cordial during the period under review.

INTERNAL CONTROL SYSTEM

The Company has an adequate system of internal controls to safeguard and protect from loss, unauthorized use or disposition of its assets. All transactions are properly authorized, recorded and reported to the management.

The Company is following all the Accounting Standards for properly maintaining the books of accounts and reporting of financial statements. The Company has a full-fledged Internal Audit department and has also appointed external Internal Auditors to review various areas of the operations of the Company. The management and the Audit Committee of the Board review the audit reports periodically.

RISKS AND CONCERNS

The Company is exposed to normal industry risk factors of competition, economic cycle and uncertainties in the international and domestic markets and credit risk. The Company manages these risks, by maintaining a conservative financial profile and by following prudent business and risk management practices.

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors present the 28th Annual Report of the Company together with the Audited Statements of Accounts for the Financial Year ended March 31, 2014.

FINANCIAL RESULTS

Particulars	(₹ in Crore)	
	March 31, 2014	March 31, 2013
Net Turnover	1432.61	1478.84
Profit before Tax & Depreciation	135.47	151.81
Depreciation	74.32	76.98
Provision for Doubtful Debts/Advances	0.30	0.45
Profit before Tax	61.15	74.83
Tax Expense - Current Tax	23.30	27.16
- Deferred Tax	(2.65)	(3.63)
Profit after Tax	40.50	51.30
Brought forward Profit	75.00	59.23
Proposed Dividend	5.91	4.73
Tax on Dividend	1.01	0.80
Transfer to General Reserve	30.00	30.00
Carried to Balance Sheet	78.58	75.00

OPERATIONAL RESULTS

Your company's performance during the financial year can be considered satisfactory considering overall economic scenario prevalent at domestic as well as global spheres. Turnover was ₹ 1432.61 Crore as against ₹ 1478.84 Crore of previous year. The turnover was lower than the last year due to closure of toll business during the year. The exports increased to ₹ 342.34 Crore as against ₹ 300.75 Crore of previous year.

DIVIDEND

In view of the satisfactory performance, your directors are pleased to recommend for your approval, dividend of 15% on 3,94,21,559 equity shares of ₹10/- each for the financial year 2013-14 aggregating to ₹ 5.91 crore, which is subject to approval at the forthcoming Annual General Meeting. The company would also pay corporate tax on distributed dividend and dividend would be tax free in the hands of the shareholders.

CAPEX

The company was sanctioned a term loan of ₹ 32.50 Crore by Exim Bank for capex plan of the company of ₹ 43.46 Crores for installation of Mercerising Machine, Hot Air Stenter Machine, 1 No. Auto Coro, T.F.O.'s, Jiggers, Jet Dying Machine, Micro Processors, ETP and Misc. Balancing Machines. The Capex plan is under implementation.

PUBLIC DEPOSITS

The company has not accepted any deposits from the general public within the meaning of Section 73 of the Companies Act, 2013 (corresponding to Section 58 A of the Companies Act, 1956) and rules made thereunder.

DIRECTORS

In accordance with section 152 and other applicable provisions of Companies Act, 2013, Shri R.P.Soni being Non-Executive Director, retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting. Also, as per the provisions of Companies Act, 2013, it is proposed to appoint Shri Achintya Karati, Shri Ramawatar Jaju and Shri T.K.Mukhopadhyay as Independent Directors of the Company for a consecutive term of five years from the date of ensuing Annual General Meeting.

In accordance with the provisions of Articles of Association of the Company and section 196, 197 and 203 of the Companies Act, 2013, it is proposed to re-appoint Shri S.N.Modani as Managing Director of the Company for a period of 5 years effective from 1st October, 2014. The present tenure of Shri S.N.Modani, Managing Director is expiring on 30th September, 2014.

Brief resumes of Directors, nature of their expertise in specific functional areas and names of companies in which they hold Directorship and/or Membership/ Chairmanship of Committees of the Board (excluding Private Limited Company, Non Profit making companies and Foreign

Companies) are being given in the explanatory statement of the notice of ensuing AGM annexed and forms part of this Report. Based on the confirmations received, none of the Directors are disqualified for appointment under section 164(2) of the Companies Act, 2013.

The company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under clause 49 of the Listing Agreement with the Stock Exchanges.

SUBSIDIARY COMPANY

The company has no subsidiary company.

AUDITORS

M/s R. Kabra & Company, Chartered Accountants, Mumbai and M/s BL Chordia & Company, Chartered Accountants, Bhilwara, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and have expressed their willingness to continue, if so appointed. As required under the provisions of Sections 139 and 141 of the Companies Act, 2013, the Company has obtained a written consent and relevant certification from the Auditors proposed to be re-appointed. A proposal seeking their re-appointment is provided as part of the Notice of the ensuing Annual General meeting.

AUDITORS' REPORT

As regards Auditors observations, the relevant notes on account are self explanatory and therefore, do not call for any further comments.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance and adheres to the stipulations set out in the Listing Agreement with the Stock Exchanges and have implemented all the prescribed requirements. Annexed reports on Corporate Governance and Management Discussion and Analysis as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges form part of this Annual Report. Certificate from the Auditors of the Company, confirming compliance of conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is annexed to this report.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed that:

1. In the preparation of the annual accounts for the year ended on March 31, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. The directors have selected such accounting policies



and applied them consistently and made judgments, and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2014 and of the profit of the Company for the year ended on that date;

3. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
4. The directors have prepared the annual accounts of the company for the year ended on March 31, 2014 on a 'going concern' basis.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the Annexure I to the Directors' Report.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information relating to energy, technology absorption and foreign exchange earnings and outgo required to be disclosed under The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure-II alongwith Form A and Form B.

HUMAN RESOURCES MANAGEMENT AND INDUSTRIAL RELATIONS

The Company continues to focus on training its employees on a continuing basis, both on the job and through training programs. Relations with the staff members and the workmen continued to be cordial and satisfactory during the year under consideration.

COST AUDITORS

In accordance with the directive of the Central Government and pursuant to Section 148 of the Companies Act, 2013, M/s. K. G. Goyal & Co., Jaipur, Cost Accountants and M/s V.K.Goyal & Co., Bhilwara, Cost Accountants, have been appointed as Cost Auditors to audit the cost accounting records relating to Company's units as allotted to them respectively for the financial year 2014-15, subject to the applicability of Cost Audit on the Company in terms of rules framed in this regard by the Ministry of Corporate Affairs.

ACKNOWLEDGEMENT

The Board of Directors place on record their appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Government, Local Authorities for their strong support and valuable guidance. The Directors are thankful to the shareholders for their continued support to the Company.

Your Directors also wish to place on record their deep sense of appreciation for the devoted services of the Executives, Staff and Workers of the Company for its success.

By Order of the Board of Directors
For **Sangam (India) Limited**
R. P Soni
Chairman

Place : Bhilwara

Dated : 30th April, 2014

ANNEXURE – I

Particulars of employees as per section 217 (2A) of the companies act, 1956 read with the companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2014.

EMPLOYED THROUGH THE YEAR AND WERE IN RECEIPT OF REMUNERATION AGGREGATING TO NOT LESS THAN ₹ 60,00,000 P.A.

Sl. No	Name	Designation & nature of Duties	Remuneration Received (₹ In Lacs)	Qualification	Age (Years)	Experience (Years)	Date of Commencement	Last Employment held
1	Shri S.N. Modani	Managing Director	105.72	M.Sc., M.B.A.	50	25	01.03.1991	Manglam Cement Ltd.

Note: Remuneration includes commission, allowance, company's contributions to provident funds and value or perquisites etc.

ANNEXURE – II

INFORMATION REQUIRED UNDER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988, AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH 2014.

CONSERVATION OF ENERGY

A) Energy Conservation measures taken

1. Installation of Inverter on Carding for Doffer to reduce the friction loss.
2. Installed the new modified PVC line for Air compressor to reduce the friction losses as well as to eliminate the corrosion problem.
3. Smaller size and energy efficient rings and spindles have been used in Ring Frames instead of bigger size rings and spindles.
4. Provided invertors in the suction fans of Auto Coner Winding Machines.
5. Modified the Doffer part in LC1/3 Carding and installed the inverter with new energy efficient type motor to save the energy as well as save from friction losses.
6. Changed the Motor and Suction fan, where ever the low suction is required to save the energy.
7. Installed the LED tube in Ring Frame area to save the energy from existing Fluorescent lamp and also to improve the illumination level.
8. Used High temperature and High Speed Grease (Synthox-HT) with Energy Efficient imported SKF bearing to reduce the losses of Friction and improvement of life of bearing and reduction of maintenance of Motors.
9. Modified the NDE cover of Main Motor in Jingwei Ring Frame and changed the bearing from 6210C3 to 6310C3 to reduce the frequent failure of bearing and installed our Grease and imported bearing to save the energy and friction loss also..
10. Installation of Servo/Constant Voltage Stabilizer for lighting load after assembling all wiring at Central location.

11. Installation of Energy Efficient Motor (EFF - 1) in TFO and other useful places like Fans, Humidification etc.
12. Installed the new TFO with energy efficient motor to save the energy as well as increase the production also
13. Use of Treated water at following areas for reduction of input water :-
Humidification Plant Air Washer, Cooling Towers, Gardening, Agriculture, Floor Washing, Ash quenching and Coal Spray etc.
14. Used High Temperature and high-speed grease (Synthox-HT) to reduce the overhauling consumption and reduce the bearing consumption also.
15. Installed the 8 MVA Transformer to increase the efficiency of 33 KV sub-station by reducing the break down losses by changing the old transformer.
16. Remove the additional energy meter installed at GSS to improve the eff of existing CTPT as the same is running with the common CTPT.
17. Installed the Transport Fan in place of condenser in Blow room to save the energy as well as improve the house keeping at false-ceiling also.
18. Installed the standby meter for proper metering with AVVNL.

B) Additional investment and proposal being implemented for reduction of consumption of energy

The company is putting investments on ongoing basis for reduction of consumption of energy.

FORM – A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Particulars	Current Year	Previous Year
A POWER & FUEL CONSUMPTION		
1 Electricity		
(a) Purchased		
Units(Kwh)	115410177	121511202
Total Amount (₹ in Lacs)	5674	5922
Rate/Unit (₹)	4.92	4.87
(b) Own Generation:		
(i) Through Generators - Units	109213	349450
Unit Per Litre of Fuel (Unit/Litres)	3.13	3.12
Rate/Unit (₹)	14.99	12.62
(ii) Through Thermal Power - Units	136886220	126489305
Unit Per Kg of Coal (For Cogeneration of steam & power)	0.62	0.55
Cost Per Unit (₹)	5.32	5.89
2 Coal		
(a) Coal (For Thermal Power) (For Cogeneration of Steam & power)		
Quantity (M.T.)	220098	228829
Total Amount (₹ in Lacs)	7280	7452
Average Rate/M.T. (₹)	3308	3256
(b) Coal (For Steam Generation)		
Quantity (M.T.)	10124	9036
Total Amount (₹ in Lacs)	829	725
Average Rate/M.T. (₹)	8188	8028
3 Diesel		
Quantity (Litres)	34896	111867
Total Amount (₹ in Lacs)	16	44
Average Rate (₹)	46.93	39.44
B CONSUMPTION PER UNIT OF PRODUCTION		
(a) Electricity Units		
Per kg of yarn	3.43	3.34
Per meter of fabric	0.93	0.84
Per meter (job processing)	0.21	0.21
(b) Coal		
Per meter (job processing)	0.21	0.19
Per kg (job sizing)	0.40	0.42

FORM – B

FOREIGN EXCHANGE EARNING AND OUTGO

Particulars	2013-14	2012-13
a) Total Foreign Exchange used	22.52	25.09
b) Earning in Foreign Exchange	337.74	295.26

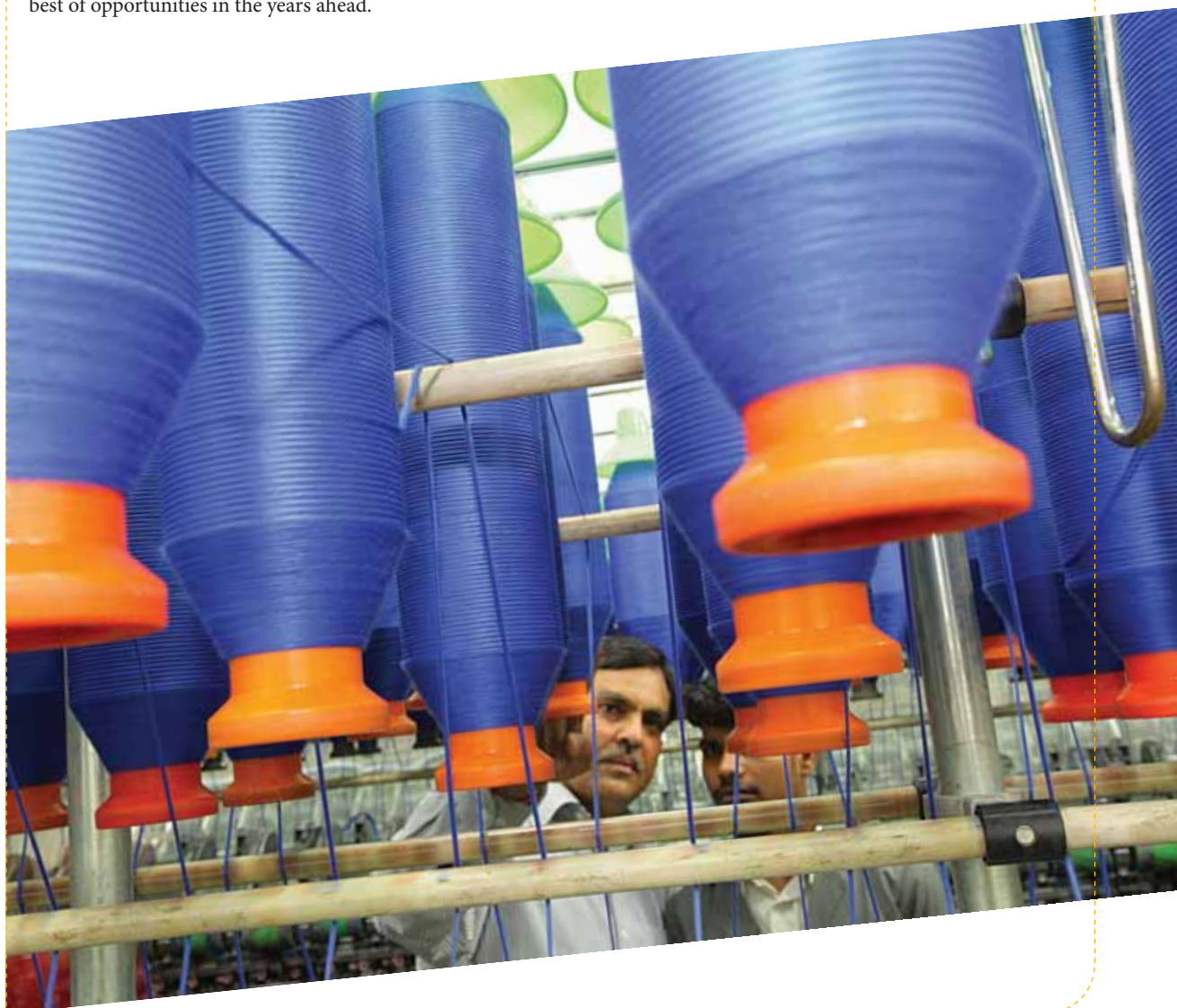
(₹ in Crore)



CORPORATE GOVERNANCE REPORT

THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The company believes in and practices good Corporate Governance. The company continuously endeavors to improve on these aspects on an ongoing basis. For creation of wealth for shareholders on a sustainable and long term basis and to maximize 'total returns to shareholder', being the core of the mandate from shareholders, it is imperative for the Management to institutionalize a 'Framework of Corporate Governance and Code of Practices' as an enabling methodology to strengthen decision-making processes and organization-wide compliance with core values of ethical integrity and reliability while enhancing effective, harmonious and transparent functioning amongst the Board of Directors, its Committees and the Executive Management to meet challenges and to make the best of opportunities in the years ahead.



BOARD OF DIRECTORS

There are 6 Directors on the Board of Company, comprising 2 Promoters and Executive Directors, 1 Promoter and Non-Executive Director and 3 Independent and Non-Executive Directors.

A. COMPOSITION

Composition of the Board of Directors of the Company as on 31st March 2014 was as under with details of other directorships and committee memberships: -

Name	Status	No. of other Directorship and committee Memberships	
		Other Directorships	Committee Memberships
Shri RP Soni	Promoters Non Executive Director/Chairman	14	-
Shri SN Modani	Promoters Executive/Managing Director	-	-
Shri VK Sodani	Promoter Executive Director	4	-
Shri Ramawatar Jaju	Independent Non Executive	5	-
Shri Achintya Karati	Independent Non Executive	5	5
Shri TK. Mukhopadhyay	Independent Non Executive	1	-

Notes:

- Other Directorships includes Private Limited Companies and Alternate Directorships.
- Only Audit Committee, Shareholders/Investors Grievance Committee, Remuneration Committee have been reckoned for committee membership purpose.
- Shri SN Modani, Shri VK Sodani and Shri RP Soni are related to each other. Shri SN Modani and Shri VK Sodani are the Sons in Law of Shri RP Soni. No other Director is related to any other Director on the Board.
- The membership of Company's Directors on the Audit Committee, Shareholders/Investors Grievance Committee, Remuneration Committee given below elsewhere in this report.

Attendance at Board meetings during the year and last Annual General Meeting.

4 meetings of the Board were held during the financial year 2013-14 on 25.04.2013, 26.07.2013, 23.10.2013 and on 31.01.2014.

- The last Annual General Meeting was held on 30th September 2013.

Sl. No.	Name of the Director	No. of Board Meetings attended	Whether attended Last AGM
1	Shri RP Soni	All	Yes
2	Shri SN Modani	All	Yes
3	Shri VK Sodani	All	Yes
4	Shri Ramawatar Jaju	All	No
5	Shri Achintya Karati	All	No
6	Shri TK. Mukhopadhyay	All	No

CODE OF CONDUCT

Sangam (India) Limited has laid down a code of conduct for all Board Members and senior management of the Company. All Board Members and designated senior management personnel have affirmed compliance with this code of conduct. The code of conduct is displayed on the website of the Company www.sangamgroup.com. A declaration to this effect, signed by the Managing Director of the Company is attached at the end of this report.

CEO/CFO CERTIFICATION

The Managing Director and CEO and Jt. President (Finance) & Company Secretary and CFO of the Company

have certified to the Board as required under provision V of the clause 49 of the listing agreement covering all aspects enumerated therein.

AUDIT COMMITTEE

a. Constitution

The Board of Directors of the Company has **reconstituted** the Audit Committee on 30th April, 2014 comprised of Shri Achintya Karati, an Independent Director, as the Chairman and Shri T.K. Mukhopadhyay, an Independent Director and Shri R.P. Soni, Non-Executive Director, as members of the Audit Committee. Audit Committee meets

the requirement of Section 177 of the Companies Act, 2013 (Corresponds to section 292A of the Companies Act, 1956) as well as Clause 49 of the Listing Agreement. The Chairman of the Committee is Shri Achintya Karati, an Independent Director and all the members of the Audit Committee are financially literate and have accounting and financial management expertise.

The Managing Director & CEO, President and representatives of the Statutory Auditors and Internal Auditors are permanent invitees to the Audit Committee Meetings. The Company Secretary acts as the Secretary to the Audit Committee.

b. Composition

The composition of the Audit Committee as on 31st March, 2014 was as follows:

Shri Ramawatar Jaju	Chairman (Independent Director)
Shri Achintya Karati	Member (Independent Director)
Shri RP Soni	Member (Non-executive Director)

c. Meetings and Attendance

The details of meetings held during the year, and the attendance thereat, are as follows:

Date of meetings - 4 meetings of the Audit Committee of Board of the Company were held during the financial year 2013-14 on 25.04.2013, 26.07.2013, 23.10.2013 and on 31.01.2014.

Attendance

Name of the Director	No. of meetings attended
Shri RP Soni	All
Shri Ramawatar Jaju	All
Shri Achintya Karati	All

- Shri Anil Jain, Jt. President (Finance) & Company Secretary and CFO is the Secretary to the Committee.

- Shri GC Jain, President attended all the meetings of the Committee as invitee to represent the finance function. Shri RM Sinduria represented the Internal Audit function. The Statutory Auditors of the company also attended the meetings. The Statutory Auditors of the company are invited to join Audit Committee meetings for discussions. The Audit Committee holds discussions with the Statutory Auditors and their report on the audit of the yearly accounts, the yearly audit plan, matters relating to compliance of accounting standards, their observations arising from the limited review report/ annual audit of the Company's accounts and other related matters.

The Audit Committee during its four meetings reviewed with the management and the auditors (both external and internal) all issues, which are required to be reviewed by the audit Committee pursuant to the listing agreement with the Stock Exchanges as also the Companies Act, 1956. The Audit Committee has also reviewed the observations of the internal and statutory auditors in relation to all areas of operations of the company as also the internal control systems. In addition, the committee has been examining

all areas associated with the taxation matters (direct and indirect) and has reviewed the measures initiated by the company for mitigating the risks. The Audit Committee has also reviewed the actions taken by the company on various observations and queries of the auditors.

a. Powers of the Audit Committee

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

Role of Audit Committee

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of subsection (3) of Section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
 - 5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
 - 12A. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee

The terms of reference covers all aspects as stipulated in revised clause 49 of the listing agreement.

REMUNERATION COMMITTEE

A Remuneration Committee is there to formulate and recommend to the Board a Compensation/remuneration structure for managing/whole time directors. Non-executive directors are at present not paid commission over and above the sitting fees.

Remuneration Committee of the Board as on March 31, 2014, comprised of Shri Ramawatar Jaju, an Independent Director, as the Chairman and Shri Achintya Karati, Independent Director and Shri R.P.Soni, Non-Executive Director, are the members of Remuneration Committee.

Remuneration Committee of the Board has been renamed as “**Nomination and Remuneration Committee**” and reconstituted by the Board on 30th April, 2014 considering the requirements of the Companies Act, 2013, comprised of Shri Achintya Karati, an Independent Director as the Chairman and Shri Ramawatar Jaju, an Independent Director and Shri R.P. Soni, Non-Executive Director as the members of the Committee.

There was one meeting held of Remuneration Committee as on 26.07.2013. The Remuneration Policy of the Company is:

i. For Managing/Whole time Directors

The total remuneration, subject to shareholders approval, consists of:

- 🔹 A fixed component - consisting of salary and perquisites; the perquisites and benefits are in line with the company rules for senior managerial personnel.
- 🔹 A variable component - linked to performance of company as well as of the individual director - consisting of performance linked bonus, as may be determined by the Remuneration Committee, within the limits approved by the shareholders/subject to Schedule XIII of the Companies Act, 1956.
- 🔹 Commission payable to Shri S.N. Modani, Managing Director not exceeding 1% and to Shri V.K.Sodani, Executive Director not exceeding 0.25% of the net profits computed under section 198(4) of the Companies Act, 1956 approved by the shareholders.

ii. For Non-executive Directors

Sitting Fees as permitted under the Companies Act, 2013 ₹ 20,000/- per meeting of the Board or its Committees plus reimbursement of actual travel and out-of-pocket expenses incurred for attending such meetings.

The details of remuneration paid/payable to all the Directors for the year 2013-14 are as under:

a. Non-executive Director(s) (Sitting fees only)

Sr. No.	Name of the Directors	Sitting fees (in ₹)
1	Shri Ramawatar Jaju	2,40,000
2	Shri Achintya Karati	2,40,000
3	Shri R.P. Soni	2,40,000
4	Shri T.K. Mukhopadhyay	80,000
Total		8,00,000

b. Managing/Whole time Director –

Particulars	(₹ in Lacs)	
	Managing Director Shri S.N. Modani \$	Executive Director Shri V.K. Sodani #
Salary	33.30	21.75
Commission	61.76	15.44
Other perquisites	10.66	9.97
Total	105.72	47.16

\$ Shri SN Modani is under contract of employment with the company for 5 years w.e.f. 01-10-2009. His appointment can be terminated by notice of six months by either side. The present tenure of Shri S.N.Modani, Managing Director of the Company is expiring on 30th September, 2014. There is no sitting fee payable to Managing Director.

Shri VK Sodani is under contract of employment with the company for 5 years w.e.f. 01-10-2012. His appointment can be terminated by notice of six months by either side. There is no sitting fee payable to Executive Director.

The company currently does not have any stock option scheme.

SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Shareholders/Investors Grievance Committee of the Board as on March 31, 2014, comprised of Shri Ramawatar Jaju, an Independent Director, as the Chairman and Shri Achintya Karati, Independent Director and Shri R.P.Soni, Non-Executive Director, are the members of the Committee.

Shareholders/Investors Grievance Committee of the Board has been renamed as “**Stakeholders Relationship Committee**” and reconstituted by the Board on 30th April, 2014 considering the requirements of the Companies Act, 2013, comprised of Shri R.P.Soni, Non-Executive Director as the Chairman and Shri Ramawatar Jaju, an Independent Director and Shri Achintya Karati, an Independent Director as the members of the Committee.

Shri Anil Jain, Jt. President (Finance) & Company Secretary who is the compliance officer for secretarial compliance is nominated as Compliance Officer for this purpose also.

The Committee reviews the system of dealing with and responding to correspondence from the investors’ viz.- shareholders. The details of complaint letters received from Stock Exchange(s), SEBI, Department of Company Affairs are also placed before this committee and it reviews the responses there to individually.

During the year, 1 complaint letter was received from investors directly and were dealt with satisfactorily. There are no investor grievances pending for a period exceeding one month. There are no pending complaints as on 31st March 2014.

The Board had authorized Shri Anil Jain, Jt. President (Finance) & Company Secretary to approve all routine transfers and transmissions of shares. Presently, transfers, transmissions etc. are affected within 12-15 days (as against the stipulated norm of 15 days).

GENERAL BODY MEETINGS

(i) General Meeting

(a) Details of location and time of holding the last three Annual General Meetings

General Body Meeting	Day, Date	Time	Venue
25th AGM-2011	Friday, September 30, 2011	4.00 P.M.	Opp. Hr. Secondary School, Industrial Estate, Pur Road, Bhilwara-311001 (Raj.)
26th AGM-2012	Friday, September 28, 2012	4.00 P.M.	Bhilwara-311001 (Raj.)
27th AGM-2013	Monday, September 30, 2013	4.00 P.M.	Atun, Chittorgarah Road, Bhilwara – 311001 (Raj.)

(b) Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the year 2013-14.

(ii) Postal Ballot

No Postal Ballot was conducted during the year 2013-14.

(iii) Special Resolutions

At the Annual General Meeting of the Company held on September 30, 2013:

 Revision in the terms of remuneration of Shri V.K. Sodani, Executive Director of the company.

The above resolution was passed with the requisite majority.

DISCLOSURES

(i) There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.

(ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years : NIL

(iii) The Company has fulfilled the following non-mandatory requirements as prescribed in Clause 49 of the Listing Agreements entered into with the Stock Exchanges:

The Company has set up a Remuneration and Nomination Committee, details of which have been given earlier in this Report.

(iv) Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share

capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

MEANS OF COMMUNICATION

- The quarterly results are generally published in Economic Times or Business Line or The Business Standard in English and Rajasthan Patrika and/or Dainik Bhaskar and/or Nafa Nuksan in Hindi. The quarterly results are also displayed on the Company's notice boards in all locations.
- A Management Discussion and Analysis report is enclosed separately as part of this Annual Report.

GENERAL SHAREHOLDER INFORMATION

a.	28th Annual General Meeting	
	- Date and Time	Tuesday, September 30, 2014 at 4.00 p.m.
	- Venue	"The Plam", Mangrop Road, Harni Kalan, Bhilwara-311001 (Raj.)
b.	Financial Calendar	
	- Unaudited results for the quarter ending June 2014	31st July, 2014
	- Un-audited results for the quarter/half year ending September 2014	15th November, 2014
	- Un-audited results for the quarter ending December 2014	14th February, 2015
	- Audited results for the year ending March 31, 2015	May 2015
c.	Book closure date	22-09-2014 to 30-09-2014 (both days inclusive)
d.	Dividend payment date	Within 7 days of AGM (Subject to approval at the AGM)
e.	The listing fee has been paid up to date, to all the Stock Exchanges.	
f.	Bombay Stock Exchange Ltd. (BSE)	
	i. Scrip code	514234
	ii. Scrip ID	SANGAM
	Trading symbol at National Stock Exchange of India Ltd. (NSE)	SANGAMIND
	Demat ISIN Numbers in NSDL & CDSL	INE495C01010

Stock Market Data

The reported high and low prices of equity shares of Sangam traded during fiscal 2014 on BSE and NSE are set out in the following table:

Month	Bombay Stock Exchange Ltd. (BSE)				National Stock Exchange of India Ltd. (NSE)			
	Share Price (in ₹)		Sensex		Share Price (in ₹)		S&P CNX NIFTY	
	High	Low	High	Low	High	Low	High	Low
April, 2013	40.55	34.00	19,622.68	18,144.22	41.40	33.50	5962.30	5477.20
May, 2013	52.50	40.30	20,443.62	19,451.26	48.90	37.70	6229.45	5910.95
June, 2013	48.50	40.35	19,860.19	18,467.16	49.40	40.60	6011.00	5566.25
July, 2013	41.60	27.70	20,351.06	19,126.82	42.20	27.50	6093.35	5675.75
August, 2013	32.00	26.00	19,569.20	17,448.71	31.90	26.80	5808.50	5118.85
September, 2013	33.45	26.60	20,739.69	18,166.17	34.00	26.85	6142.50	5318.90
October, 2013	38.40	28.05	21,205.44	19,264.72	43.05	28.70	6309.05	5700.95
November, 2013	35.40	30.55	21,321.53	20,137.67	35.00	31.05	6342.95	5972.45
December, 2013	38.90	33.40	21,483.74	20,568.70	39.10	33.50	6415.25	6129.95
January, 2014	45.90	34.05	21,409.66	20,343.78	46.00	33.30	6358.30	6027.25
February, 2014	37.00	31.30	21,140.51	19,963.12	37.90	31.25	6282.70	5933.30
March, 2014	39.90	31.30	22,467.21	20,920.98	38.90	30.95	6730.05	6212.25

Share Transfer System

The Company's shares are traded in the Stock Exchanges compulsorily in Demat mode. Shares in physical mode, which are lodged for transfer are processed and returned to the shareholders within the stipulated time.

(i) *Distribution of Share holding as on March 31, 2014*

Category Range-Shares	Shareholders		Shareholding	
	Number	%age	Number of Shares	%age
Up to 500	8149	85.04	1271692	3.23
501-1000	736	7.68	613722	1.56
1001-2000	319	3.33	490554	1.25
2001-3000	120	1.25	308963	0.78
3001-4000	60	0.63	209786	0.53
4001-5000	31	0.32	146483	0.37
5001-10,000	61	0.64	427011	1.08
10,001 and above	106	1.11	35953358	91.20
Total	9582	100.00	39421559	100.00

(ii) *Shareholding Pattern as on March 31, 2014*

Category	No. of Shares held	% of Shareholding
Promoters holding		
(a) Individual Promoters	3169433	8.04
(b) Persons acting in Concerts	13701703	34.76
OTHERS		
Mutual Funds and UTI	-	-
Banks, Financial Institution, Insurance Companies (Central/ State Govt.		
Institutions/ Non Govt. Institutions)	2066444	5.24
Foreign Institutional Investors (FIIs)	-	-
Private Corporate Bodies	14416109	36.57
Indian Public	4976359	12.62
NRI's / OCBs	263817	0.67
Trust	14000	0.04
Clearing Members	813694	2.06
Total	39421559	100.00

Dematerialization of shares and liquidity

Shares of the Company are traded in electronic form. SEBI has stipulated the shares of the Company for compulsory delivery in dematerialization form only, by all investors from December 2000. About 99.40% of the shares holdings have already been dematerialized. Shares of the Company are actively traded in Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) and have reasonably good liquidity.

Office and works

Registered Office

Atun, Chittorgarh Road
Bhilwara - 311 001 (Raj.)
Ph.: +91 1482 304000
Fax: +91 1482 304120
E-mail: secretarial@sangamgroup.com
website: www.sangamgroup.com

Plant Location

Spinning

Unit - I : Vill. Biliya Kalan, Chittorgarh Road,
Bhilwara - 311 001 (Raj.)

Unit - II : 91 K.M. Stone, N.H.-79, Vill. Sareri,
Dist. Bhilwara - 311 024 (Raj.)

Weaving and Processing

Vill. Atun, Chittorgarh Road,
Bhilwara - 311 001 (Raj.)

Denim

Vill. Biliya Kalan, Chittorgarh Road, Bhilwara - 311 001 (Raj.)

Registrar and Share Transfer Agent

Bigshare Services Private Limited,
E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka,
Andheri (E), Mumbai -400 072
E-mail: investor@bigshareonline.com
Tel No's. : 022-4043 0200, Fax No. 022-28475207

Address for Correspondence

All matters relating to Dividend, Annual Reports and other related matters

Company Secretary

Sangam (India) Limited,
Atun, Chittorgarh Road, Bhilwara - 311 001 (Raj.)
Ph.: +91 1482, 267150, 304188, Fax: +91 1482 304120
email : secretarial@sangamgroup.com,
website: www.sangamgroup.com

CEO AND CFO CERTIFICATION

We, S.N.Modani, Managing Director & CEO and Anil Jain, Jt. President (Finance) & Company Secretary (CFO) certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2014 and to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2014 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
 - i) There has not been any significant change in internal control over financial reporting during the year under reference;
 - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Bhilwara

S. N. Modani

Anil Jain

Date: April 30, 2014

Managing Director (CEO)

Jt. President (Fin.) & Company Secretary (CFO)



AUDITORS' REPORT ON CORPORATE GOVERNANCE

To
The Members of
Sangam (India) Limited

We have examined the compliance of conditions of corporate governance by Sangam (India) Limited, for year ended 31 March 2014 as stipulated in clause 49 of the listing Agreement of the said company with stock exchange(s). The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the abovementioned listing agreement.

We state that no investor grievance is pending for a period exceeding one month against the company as per records maintained by the shareholders grievance committee. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **R. Kabra & Co.**
Chartered Accountants
(Reg. No. 104502W)

(R.L. Kabra)
Partner
M. Ship No. 016216

Camp : Bhilwara
Date : April 30, 2014

For **B.L. Chordia & Company**
Chartered Accountants
(Reg. No. 000294C)

(B.L. Chordia)
Partner
M. Ship No. 010882

Place : Bhilwara
Date : April 30, 2014



FINANCIAL SECTIONS



Value through values

Sangam (India) Limited

AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Members of Sangam (India) Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in

the manner so required subject to Note No 31 regarding amounts reflected in the financial statements of jointly controlled entities are unaudited and based on Management certifications and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227(3) of the Act, we report that:
 - We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act ;
 - On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **R. Kabra & Co.**
Chartered Accountants
(Registration No.104502W)

(R.L. Kabra)
Partner
M. Ship No.016216
Camp: Bhilwara
Date: April 30, 2014

For **B.L. Chordia & Co.**
Chartered Accountants
(Registration No.000294C)

(B.L. Chordia)
Partner
M.Ship No.010882
Place:Bhilwara
Date: April 30, 2014



Annexure To The AUDITORS' REPORT

(Referred to in our report of even date)

Annexure referred to in Point 1 of the Auditors' Report of even date to the members of Sangam (India) Limited for the year ended as on March 31, 2014.

On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we state as under:

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
- b. As per the information and explanations given to us, physical verification of fixed assets has been carried out in terms of the phased programme of verification adopted by the company and no material discrepancies were noticed on such verification.
- c. In our opinion and according to the information and explanations given to us, during the year the company has not disposed off any substantial parts of Fixed Assets and therefore does not affect the going concern assumption
- (ii) a. As per the information and explanation given to us, the inventories (excluding stock, materials and work in progress, which are in transit & stock lying with third parties) have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.
- b. In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. In our opinion, and according to the information and explanations given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on verification of inventory.
- (iii) a. As per the information and explanation given to us, the company has granted unsecured loans to companies covered in the register maintained under section 301 of the Companies Act, 1956. The number of such parties involved is one and the maximum balance during the year is ₹4900 Lacs and the closing balance as on year end is Nil.
- b. The rate of interest and other terms and conditions of loan given by the company are prima facie not prejudicial to the interest of the company
- c. The receipt of principal amount and interest are on demand basis.
- d. In our opinion and as per the information and explanations given to us, the company has not taken unsecured loans from companies, firms or other parties covered in the register maintained

under section 301 of the Act. Therefore the clause iii (e), iii (f) & iii (g) are not applicable.

- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of inventory and fixed assets and for the sales of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v) (a) In our opinion and according to the information and explanation given to us the particulars of or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) As explained to us, transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanation given to us, the company has not accepted deposits from the Shareholders/directors and the directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Act and the rules framed there under.
- (vii) In our opinion, the company has an internal audit system through internal control system, which is carried out by the internal audit department, the scope and coverage of which is commensurate with size & nature of the business of the company.
- (viii) The Central Government has prescribed maintenance of the cost records U/S 209(1)(d) of the Companies Act, 1956 in respect to the company's products. We have broadly reviewed the books of accounts & records maintained by the company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made & maintained. We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (ix) a. According to the information and explanations given to us and the records examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom-duty and excise duty, cess and other statutory dues with appropriate authorities wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding, as at 31st March 2014 for a period of more than 6 months from the date they became due.



Annexure To The AUDITORS' REPORT (Contd.)

(Referred to in our report of even date)

- b. According to the record of the company, the dues of sales-tax, income-tax, customs, wealth-tax, excise-duty, service tax which have not been deposited on account of disputes and the forum where the disputes are pending since the financial year ended 31st March 2004 till the financial year ended 31st March 2014 are given here-under:

Disputed Matters with the various forum

(₹ in Lacs)

S. No.	Name of the Statute	Nature of the dues	Amount (₹ in Lacs)		Period to which the amount relates (Financial Year)	Forum where dispute is pending
			Gross	Net of Deposited		
1.	Income Tax Act, 1961	Income Tax	21.00	21.00	2003-04	Commissioner of Income Tax (Appeals)
2.	Rajasthan Stamp Act, 1998	Stamp Duty	108.91	88.91	2006-07	Rajasthan High Court, Jodhpur
3.	Rajasthan Value Added Tax Act, 2003	Value Added Tax	71.74	65.61	2011-12	Tax Board, Ajmer and Dy. Comm. Appeals.
4.	Electricity Act, 2003	Power Factor Incentive	54.28	54.28	2007-08 to 2013-14	Rajasthan High Court, Jodhpur
5.	Rajasthan Tax on Entry of Goods into Local Area Act, 1999	Entry Tax and Interest	352.21	283.54	2003-04 to 2013-14	Rajasthan High Court, Jodhpur
6.	Central Excise Act, 1944	Excise Duty	1.39	Nil	2007-08 to 2008-09	Commissioner of Excise (Appeals)
7.	Central Excise Act, 1944	Excise Duty	15.80	Nil	2007-08 to 2011-12	CESTAT - Delhi
8.	Service Tax	Service Tax	12.53	1.79	2010-11	Commissioner (Appeal)
9.	Service Tax	Service Tax	30.44	3.93	2005-06 to 2011-12	CESTAT - Delhi
10.	Electricity Act, 2003	Fixed Charges Recovery	19.57	14.57	2009-10 to 2010-11	Rajasthan High Court, Jodhpur

- (x) The Company does not have any accumulated losses during the year and it has not incurred cash losses in current financial year and in the immediately preceding financial year.
- (xi) Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions and banks. There are no debenture holders of the company.
- (xii) Based on our examination of the records and the information and explanations given to us, the company has not granted any loans and/ or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund company or nidhi/ mutual benefit fund/society.



Annexure To The **AUDITORS' REPORT** (Contd.)

(Referred to in our report of even date)

- (xiv) According to the information and explanations given to us, the company has maintained proper records of the transactions & contracts in respect of investments held by the company with timely entries and they are held in its own name.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, the term loans raised during the year have been applied for the purpose for which they were raised.
- (xvii) In our opinion and according to the information and explanation given to us, on an overall examination of the Balance Sheet and cash flow of the company during the year we report that no funds raised on short-term basis have been used for Long Term Investment.
- (xviii) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The Company has not issued debentures, so the question of security or charge created does not arise in respect of debentures issued.
- (xx) The company has not raised money through public issue during the year.
- (xxi) During the course of our 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 explanation given to us, we have neither come across any instances of fraud on or by the company noticed or reported during the year, nor we have been informed or such case by the management.

For **R. Kabra & Co.**

Chartered Accountants

(Registration No.104502W)

(R.L. Kabra)

Partner

M. Ship No.016216

Camp: Bhilwara

Date: April 30, 2014

For **B.L. Chordia & Co.**

Chartered Accountants

(Registration No.000294C)

(B.L. Chordia)

Partner

M.Ship No.010882

Place:Bhilwara

Date: April 30, 2014



Value through values

Sangam (India) Limited

BALANCE SHEET

as at 31st March, 2014

(₹ in Lacs)

Particulars	Note	As at 31st March, 2014	As at 31st March, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	3942	3942
Reserves and Surplus	2	29201	25843
		33143	29785
Non-Current Liabilities			
Long Term Borrowings	3	27586	34486
Deferred Tax Liability (net)	4	4496	4761
		32082	39247
Current Liabilities			
Short Term Borrowings	5	22178	21957
Trade Payables	6	7070	6444
Other Current Liabilities	7	14297	14869
Short Term Provisions	8	943	806
		44488	44076
TOTAL		109713	113108
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	9	53716	58280
Intangible Assets	9	45	44
Capital Work-in-Progress	9	1377	841
Non-Current Investments	10	785	785
Long Term Loans and Advances	11	1701	1158
		57624	61108
Current Assets			
Inventories	12	23373	21355
Trade Receivables	13	20085	17546
Cash and Bank Balances	14	328	817
Short Term Loans and Advances	15	6268	10669
Other Current Assets	16	2035	1613
		52089	52000
TOTAL		109713	113108
Significant Accounting Policies			
Notes on Financial Statements	1 to 37		

As per report of even date attached

For **R. Kabra & Co.**

Chartered Accountants

(Registration No. 104502W)

(**R.L. Kabra**)

Partner

M.Ship No. 016216

Camp : Bhilwara

Date: April 30, 2014

For **B.L. Chordia & Co.**

Chartered Accountants

(Registration No. 000294C)

(**B.L. Chordia**)

Partner

M.Ship No. 010882

Place : Bhilwara

Date: April 30, 2014

For and on behalf of the Board

(**R.P. Soni**)

Chairman

(**G.C. Jain**)

President

(**S.N. Modani**)

Managing Director

(**Anil Jain**)

Jt. President (Fin.) & Secretary

(**V.K. Sodani**)

Executive Director



Statement of PROFIT & LOSS ACCOUNTS for the year ended 31st March, 2014

(₹ in Lacs)			
Particulars	Note	2013-14	2012-13
INCOME			
Revenue from Operations	17	143261	147884
Other Income	18	1310	1256
Total Revenue		144571	149140
EXPENDITURE			
Cost of Materials Consumed	19	82727	83434
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	20	(1112)	(1684)
Employee Benefits Expense	21	10525	9422
Power & Fuel	22	13858	14264
Toll Contract Fee	23	5645	8817
Finance Costs	24	6606	6867
Depreciation and Amortisation Expense	25	7432	7698
Other Expenses	26	12745	12794
Total Expenses		138426	141612
Profit Before Exceptional Item and Tax		6145	7528
Exceptional Items			
Provision for Doubtful Debts/ Advances		30	45
Profit Before Tax		6115	7483
Tax Expenses			
Current Tax		2373	2764
Deferred Tax		(265)	(363)
Tax Expense for Earlier Years		(43)	(48)
Profit for the year		4050	5130
Earnings per equity share of face value of ₹ 10 each			
Basic and Diluted (in ₹)		10.27	13.01
Significant Accounting Policies			
Notes on Financial Statements	1 to 37		

As per report of even date attached

For **R. Kabra & Co.**

Chartered Accountants

(Registration No. 104502W)

(**R.L. Kabra**)

Partner

M.Ship No. 016216

Camp : Bhilwara

Date: April 30, 2014

For **B.L. Chordia & Co.**

Chartered Accountants

(Registration No. 000294C)

(**B.L. Chordia**)

Partner

M.Ship No. 010882

Place : Bhilwara

Date: April 30, 2014

For and on behalf of the Board

(**R.P. Soni**)

Chairman

(**G.C. Jain**)

President

(**S.N. Modani**)

Managing Director

(**Anil Jain**)

Jt. President (Fin.) & Secretary

(**V.K. Sodani**)

Executive Director



SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

- The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and provisions of the Companies Act, 1956.
- Accounting policies not specifically referred to otherwise, have been followed consistently and are in consonance with generally accepted accounting principles.

2. FIXED ASSETS

- Fixed assets are stated at cost, net of Cenvat/VAT, if any, less accumulated depreciation. Cost includes freight, duties and other incidental expenses incurred till the commencement of commercial production. Incidental expenses include establishment expenses, interest on borrowed funds used for capital expenditure and other administrative expenses.
- Capital Work in Progress includes incidental expenses pending allocation/ apportionment in respect of the uninstalled/ incomplete fixed assets.

3. INTANGIBLE ASSETS

Expenditure incurred on acquisition of intangibles are accounted for as Intangible Assets on completion, being identifiable non-monetary assets without physical substance at the acquisition cost and further expenses incurred in relation to expenses incurred in acquiring those intangible assets.

4. DEPRECIATION

- Depreciation on Fixed Assets has been provided on straight-line method at the rates and in the manner specified in schedule XIV of the Companies Act, 1956. The company has technically considered process house machinery (Installed prior to 31.03.11), wind power project & thermal power plant as continuous process plant.
- Intangible Assets**
Intangible assets comprise of computer software. These intangible assets are amortised on straight line basis over a period of 5 years useful life, which in management's estimate represents the period during which economic benefits will be derived.

5. REVENUE RECOGNITION

- All revenues, costs, assets and liabilities are accounted for on accrual basis except where there is no reasonable certainty. Turnover is excluding Inter Division Sales & Sales-tax but inclusive of excise duty, export incentives and exchange fluctuations.
- Claim lodged with insurance companies are recognized as income on acceptance by the Insurance Company. The Excess / Shortfall of claims passed are adjusted in the year of receipt.

6. INVENTORIES

Inventories are valued at lower of cost or net realizable value, after providing for obsolescence and damages as follows:

a)	Raw Material, Packing Material & Stores and Spares	At cost, on FIFO/ weighted average basis.
b)	Finished goods	At cost, plus appropriate production overheads, including excise duty paid/ payable on such goods if applicable.
c)	Material in Process	At Cost, plus appropriate production overheads.

7. FOREIGN EXCHANGE TRANSACTION/ TRANSLATION

- Monetary and Non-monetary items / transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction.
- Monetary items denominated in foreign currencies at the year end and not covered by forward exchange contract are translated at the year end rate and those covered by forward exchange contract are translated at the rate ruling on the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such differences are recognized over the life of the contract.
- Exchange differences in respect of monetary and non-monetary items are recognized as income or expense in the profit and loss account for the relevant year except otherwise disclosed in other notes.

8. RESEARCH AND DEVELOPMENT

Revenue expenditure on research and development is charged as an expense in the year in which they are incurred. Capital expenditure is shown as addition to fixed assets.

9. RETIREMENT BENEFITS

- Defined Contribution Plan**
The company contributes to Government Provident Fund Scheme. The Company's contribution paid/ payable under the scheme is recognized as an expense in the profit and loss account during the period in which the employee renders the related service.
- Defined Benefit Plan**
The Company's liabilities on account of gratuity and leave encashment are determined at the end of each financial year on the basis of actuarial Valuation as per requirements of Accounting Standard 15 (revised 2005) on "Employee Benefits".

10. BORROWING COSTS

Borrowing costs relating to acquisition/ construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes



SIGNIFICANT ACCOUNTING POLICIES

(Contd.)

substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

11. ACCOUNTING FOR TAXES ON INCOME

- a) Current tax has been provided as per the provision of Income Tax Act 1961.
- b) Tax expenses comprise of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred tax reflects the impact of current year timing differences between book profit and taxable income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book profit and taxable income for the year is accounted for using the tax rates and laws that have been substantially enacted as of the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the company has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognized only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax asset can be realized.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit entitlement. The company reviews the same at each Balance Sheet date and write down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income-tax during specified period.

12. IMPAIRMENT OF ASSETS (AS-28)

Factors giving rise any indication of any impairment of the carrying amount of the Company's assets are appraised at each Balance Sheet date to determine and provide/revert an impairment loss following accounting standard AS-28 for impairment of assets.

13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

14. EARNING PER SHARE

Basic earning per share is calculated by dividing the

net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of preferential issue allotment of equity shares. For the purpose of calculating diluted earning per shares, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

15. JOINT VENTURE

The interest in Joint Venture/ jointly controlled operations is disclosed as per Accounting Standard-27, with no effect of the profits or losses and assets and liabilities thereof in the financial statements.

16. CASH FLOW STATEMENT

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the company. Cash and cash equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks.

17. MISCELLANEOUS EXPENDITURE:

Miscellaneous Expenditure is debited fully in the year in which expenditure is incurred.

18. INVESTMENT

Long term investments are carried at cost less provision for permanent diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

19. SEGMENT REPORTING

The company has identified primary segments based on the products and secondary segments based on the geographical area.

The primary segments identified are as follows:

- I. Textile
- II. Toll Plaza

The secondary segments identified are as follows:

- a. Domestic
- b. Overseas

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities to the extent possible are allocated and which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "Unallocated revenue / expenses / assets / liabilities".

20. GOVERNMENT GRANTS

Capital grants relating to specific assets are reduced from the gross value of the Fixed Assets and those relating to revenue are credited to Profit & Loss A/c or netted from the related expenditure.



Value through values

Sangam (India) Limited

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2014

(₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
1. INCOME		
Authorised Share Capital		
6,40,00,000 (Previous Year 6,40,00,000) Equity share of ₹ 10 each fully paid up	6400	6400
1,85,00,000 (Previous Year 1,85,00,000)	1850	1850
Non - Cumulative Redeemable Preference Shares of ₹ 10 each fully paid up		
	8250	8250
Issued, Subscribed and Paid Up		
3,94,21,559 (Previous Year 3,94,21,559) Equity share of ₹ 10 each fully paid up	3942	3942
TOTAL	3942	3942
1.1. Out of above Shares 12,50,062 Equity shares of ₹10/- each at par were issued pursuant to scheme of amalgamation in earlier years without payment being received in cash.		
1.2. The details of Shareholders' holding more than 5% shares:		

NAME OF THE SHAREHOLDER	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	% held	No. of Shares	% held
Nidhi Mercantiles Ltd.	48,98,833	12.43	57,00,000	14.46
Mentor Capital Ltd. (formerly known as Pacific Corporate Services Ltd.)	64,14,018	16.27	50,24,900	12.75
Sangam Business Credit Ltd.	31,55,793	8.01	31,55,793	8.01
Sangam Fincap Ltd.	22,16,145	5.62	22,16,045	5.62
Hawamahal Finance Pvt. Ltd.	23,35,500	5.92	7,00,271	1.78
TOTAL	1,90,20,289	48.25	1,67,97,009	42.62

Particulars	As at 31st March, 2014	As at 31st March, 2013
	No. of Shares	No. of Shares
1.3. The reconciliation of the number of shares outstanding is set out below:		
Equity Shares at the beginning of the year	3,94,21,559	3,94,21,559
Add: Shares Issued During the year	-	-
Equity Shares at the end of the year	3,94,21,559	3,94,21,559



NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2014 (Contd.)

Particulars	(₹ in Lacs)	
	As at 31st March, 2014	As at 31st March, 2013
2. RESERVES & SURPLUS		
Capital Reserve		
As per last Balance Sheet	297	297
Securities Premium Reserve		
As per last Balance Sheet	5868	5868
Preference Share Capital Redemption Reserve		
As per last Balance Sheet	1178	1178
General Reserve		
As per last Balance Sheet	11000	8000
Add: Transferred from Profit & Loss Account	3000	3000
Closing Balance	14000	11000
Profit & Loss Account		
As per last Balance Sheet	7500	5923
Add: Profit for the year	4050	5130
Less: Appropriations		
Transferred to General Reserve	3000	3000
Proposed Dividend on Equity Shares	591	473
[Dividend per share ₹ 1.50 (Previous Year ₹ 1.20)]		
Tax on Dividend	101	80
Closing Balance	7858	7500
TOTAL	29201	25843

Particulars	(₹ in Lacs)	
	As at 31st March, 2014	As at 31st March, 2013
3. LONG TERM BORROWINGS		
Secured		
(a) Term Loans From Banks		
Rupee Loans	27465	34301
(b) Vehicle Loans From Banks	121	185
TOTAL	27586	34486

- 3.1 All Term Loans from banks (including current maturities) except vehicle loan are secured by a joint equitable mortgage by deposit of title deeds in respect of immovable properties and first hypothecation of the entire moveable properties of the company, both present and future (save and except book debts) subject to prior charges created/to be created in favour of bankers for securing working capital borrowing, ranking pari-passu with the charges created/to be created in favour of other participating institutions and banks. The above Term Loans are further secured by personal guarantee of two directors of the company.
- 3.2 Vehicle Loans (including current maturities) are secured by hypothecation of respective vehicle(s) and are repayable over the term of the loan ranging from 2 to 7 years.

	(₹ in Lacs)			
	Maturity Profile			
	1-2 years	2-3 years	3-4 years	Beyond 4 years
3.3. Maturity Profile of Secured Term Loans are as set out below:				
Term Loans - from banks (Excluding current maturities)	8015	5952	3156	10342



NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2014 (Contd.)

Particulars	(₹ in Lacs)	
	As at 31st March, 2014	As at 31st March, 2013
4. DEFERRED TAX LIABILITY (NET)		
A) Deferred Tax Liability		
Related to fixed assets	4763	5089
TOTAL (A)	4763	5089
B) Deferred Tax Assets		
Disallowance u/s 43B of Income Tax Act, 1961	211	233
Provision for Bad & Doubtful Debts	56	95
TOTAL (B)	267	328
C) Deferred Tax Liability (Net) (A-B)	4496	4761

Particulars	(₹ in Lacs)	
	As at 31st March, 2014	As at 31st March, 2013
5. SHORT TERM BORROWINGS		
Secured		
Loans Repayable on Demand		
From Banks (Rupee)	22178	21957
TOTAL	22178	21957

- 5.1 Borrowings from Banks for working capital are secured by hypothecation of inventories and charge on book debts both present and future and second charge on all the immovable and movable fixed assets of the company. The above borrowing are further secured by personal guarantee of two directors of the company.

Particulars	(₹ in Lacs)	
	As at 31st March, 2014	As at 31st March, 2013
6. TRADE PAYABLES		
Micro, Small & Medium Enterprises (Refer Note No.6.1)	-	-
Others	7070	6444
TOTAL	7070	6444

- 6.1 Dues to small-scale industrial undertakings and due to micro enterprises and small enterprises:-
The Company is in the process of compiling relevant information from its suppliers about their coverage under the Micro, Small and Medium Enterprises Development Act, 2006. Since the relevant information is not readily available, no disclosure have been made in the accounts. However, in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of this Act is not expected to be material.



NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2014 (Contd.)

Particulars	(₹ in Lacs)	
	As at 31st March, 2014	As at 31st March, 2013
7. OTHER CURRENT LIABILITIES		
Current maturities of long term debt (Refer Note No. 3)	9423	9937
Interest accrued but not due on borrowings	21	29
Unpaid Dividends #	25	29
Creditors for Capital Expenditure	205	74
Security Deposit	292	285
Advance from Customers	336	496
Liability towards Staff and Workers	856	908
Commission Payable on Sales	773	719
Income Tax Payable (Net)	173	-
Other Payables *	2193	2392
TOTAL	14297	14869

* Includes statutory dues, liabilities for expenses etc.

There is no overdue amount to be credited to investor education & protection fund.

Particulars	(₹ in Lacs)	
	As at 31st March, 2014	As at 31st March, 2013
8. SHORT TERM PROVISIONS		
Provisions for Gratuity/ Leave Encashment (Refer Note No. 21.1)	251	253
Proposed Dividend on Equity Share	591	473
Tax on Dividend	101	80
TOTAL	943	806



Value through values

Sangam (India) Limited

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2014 (Contd.)

Particulars	Gross Block			Depreciation			Net Block	
	As on 01/04/2013	Additions	Deduction	As On 31/03/2014	As on 01/04/2013	For the Year / Deduction	As On 31/03/2014	As on 31/03/2013
9. FIXED ASSETS								
A) TANGIBLE ASSETS								
Own Assets								
Freehold Land	735	224	-	959	-	-	959	735
Factory Building	15789	414	19	16184	3397	529	12272	12392
Office Building	89	5	4	90	18	1	73	71
Plant & Machinery	80798	2116	465	82449	41268	6060	35228	39530
Wind Power Machines	2157	-	-	2157	942	114	1101	1215
Electric Installation	6276	341	12	6605	3451	560	2606	2825
Water Supply Installation	496	20	1	515	83	20	413	413
Furniture & Fixture	530	62	13	579	272	29	289	258
Vehicle	898	45	39	904	278	81	570	620
Office Equipment	120	5	4	121	48	6	71	72
Computer	443	13	9	447	352	19	82	91
Sub-Total	108331	3245	566	111010	50109	7419	53664	58222
Leased Assets								
Leasehold Land	65	-	5	60	7	1	52	58
Sub-Total	65	-	5	60	7	1	52	58
TOTAL (A)	108396	3245	571	111070	50116	7420	53716	58280
Previous Year	105570	3875	1049	108396	43169	7641	58280	62401
B) INTANGIBLE ASSETS								
Computer software	321	13	-	334	277	12	45	44
Total (B)	321	13	-	334	277	12	45	44
Previous Year	303	18	-	321	220	57	44	83
Total (A)+(B)	108717	3258	571	111404	50393	7432	53761	58324
Total Previous Year	105873	3893	1049	108717	43389	7698	58324	62484
Capital Work In Progress							1377	841

Note : ₹ 71 Lacs (Previous Year ₹ 7 Lacs) being Pre Operative expenses included in capital work in progress.



NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2014 (Contd.)

Particulars	(₹ in Lacs)	
	As at 31st March, 2014	As at 31st March, 2013
10. NON-CURRENT INVESTMENTS (Long Term Investments)		
Unquoted Non - Trade Investment		
In Equity Shares of Associate Companies/ Joint Venture - Unquoted, fully paid up		
Equity Shares of ₹10/- each fully paid		
Keti Sangam Infrastructure (India) Ltd.	781	781
780600 (Previous Year 780600) at premium of ₹ 90/- per share		
PKSS Infrastructure Pvt. Ltd.	-	-
3900 (Previous Year 3900) at par ₹ 39000 (Previous Year ₹ 39000)		
Kalyan Sangam Infratech Ltd.	4	4
37500 (Previous Year 37500) at par		
TOTAL	785	785

Particulars	(₹ in Lacs)	
	As at 31st March, 2014	As at 31st March, 2013
11. LONG TERM LOANS AND ADVANCES (Unsecured and Considered Good)		
Capital Advances	981	473
Security Deposit	705	676
Others	15	9
TOTAL	1701	1158

* Netted for Loans and Advances considered doubtful ₹ 20 Lacs (Previous Year ₹ 79 Lacs)

Particulars	(₹ in Lacs)	
	As at 31st March, 2014	As at 31st March, 2013
12. INVENTORIES		
Raw Materials	7332	6708
Stock-in-Process	3970	4212
Finished Goods	9355	8001
Stores, Spares & Fuel	2716	2434
TOTAL	23373	21355

Particulars	(₹ in Lacs)	
	As at 31st March, 2014	As at 31st March, 2013
13. TRADE RECEIVABLES (Current) (Unsecured and Considered Good)		
Over six months	1337	1179
Others	18894	16582
	20231	17761
Less: Provision for Doubtful Debts	146	215
TOTAL	20085	17546



Value through values

Sangam (India) Limited

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2014 (Contd.)

Particulars	(₹ in Lacs)	
	As at 31st March, 2014	As at 31st March, 2013
14. CASH & BANK BALANCES		
Earmarked Balances #	25	29
Balance with Banks	257	565
Cash on Hand	19	67
Fixed Deposits with banks	27	156
TOTAL	328	817

Balance with Banks against Unclaimed Dividend

Particulars	(₹ in Lacs)	
	As at 31st March, 2014	As at 31st March, 2013
15. SHORT TERM LOANS AND ADVANCES (Unsecured and Considered Good)		
Loans and Advances to Related Party	-	4530
Balance with Central Excise Authorities	1032	200
Advance Tax, MAT credit receivables & TDS/ refund Receivable (Net)	-	261
Advance against Supplies	2230	1153
Subsidy Receivable	880	1447
Excise Rebate Claim Receivable	709	739
Security Deposits	953	1753
Others #	464	586
TOTAL	6268	10669

Includes prepaid expenses and advance to employees etc.

Particulars	(₹ in Lacs)	
	As at 31st March, 2014	As at 31st March, 2013
16. OTHER CURRENT ASSETS (Unsecured and Considered Good)		
Interest Receivable - From Trade Debtors/ Others	57	44
DEPB, DBK, Sales Tax Incentive Receivable	1612	1166
Others #	366	403
TOTAL	2035	1613

Includes Insurance Claim receivable ₹173 Lacs (Previous Year ₹160 Lacs)

Particulars	(₹ in Lacs)	
	2014	2013
17. REVENUE FROM OPERATIONS		
Sale of Products/ Income from Services	146470	148521
	146470	148521
Less: Excise Duty	3209	637
TOTAL	143261	147884



NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2014 (Contd.)

Particulars	(₹ in Lacs)	
	2014	2013
17.1 Particulars of Sale of Products/Services		
Yarn	90534	79241
Fabrics	45590	54646
Waste	605	925
Job Charge	5199	4325
Electricity Income	232	236
Toll Receipts	4097	9148
SHIS Benefits	213	-
TOTAL	146470	148521

17.2 During the year, exchange fluctuation gain on export sales included in sales is ₹NIL (Previous Year ₹88 Lacs)

Particulars	(₹ in Lacs)	
	2014	2013
18. OTHER INCOME		
Interest		
From Trade Debtors	702	608
From Others	338	394
Other Non-Operating Income		
Miscellaneous Receipts	16	12
Foreign Exchange Fluctuation Gain (Other than considered as finance cost)	254	242
TOTAL	1310	1256

	2014		2013	
	₹ in Lacs	% of Consumption	₹ in Lacs	% of Consumption
19. COST OF MATERIALS CONSUMED				
Imported	729	0.88	1335	1.60
Indigenous	81998	99.12	82099	98.40
TOTAL	82727	100.00	83434	100.00

Particulars	(₹ in Lacs)	
	2014	2013
19.1 Particulars of Material Consumed		
Man Made Fibre	47704	47327
Cotton	20137	20712
POY Yarn	3678	4315
Yarn	3968	3761
Fabrics	1974	1976
Dyes & Chemicals	5266	5343
TOTAL	82727	83434



Value through values

Sangam (India) Limited

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2014 (Contd.)

		(₹ in Lacs)	
Particulars		2014	2013
20. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE			
Inventories (at close)			
Finished Goods		9355	8001
Stock-in-Process		3970	4212
		13325	12213
Inventories (at commencement)			
Finished Goods		8001	5673
Stock-in-Process		4212	4856
		12213	10529
TOTAL		(1112)	(1684)

		(₹ in Lacs)	
Particulars		2014	2013
21. EMPLOYEE BENEFITS EXPENSE			
Salaries and Wages		9664	8654
Contribution to Provident and Other Funds		659	600
Staff Welfare Expenses		202	168
TOTAL		10525	9422

21.1 As per Accounting Standard 15 (Revised) "Employee benefits", the disclosure as defined in the Accounting Standard are given below:-

Defined Benefit Plans

The following tables set out the details of amount recognized in the financial statements in respect of Employee benefit schemes.

		(₹ in Lacs)			
		As at 31st March, 2014		As at 31st March, 2013	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
I Assumptions as at					
Mortality		IALM (2006-08)Ult	IALM (2006-08)Ult	LIC (1994-96)Ult	LIC (1994-96)Ult
Discount Rate		9.10%	9.10%	8.05%	8.05%
Rate of increase in compensation		6.25%	6.25%	5.50%	5.50%
Rate of return (expected) on plan assets		9.25%	9.25%	9.25%	9.25%
Withdrawal rates		Upto Age 30:3% 31-44:2% 45 & Above:1%		Upto Age 30:3% 31-44:2% 45 & Above:1%	
II Changes in present value of obligations					
PVO at beginning of period		606.45	191.74	456.25	145.33
Interest cost		46.88	14.90	35.72	12.04
Current Service Cost		160.35	122.83	150.64	100.23
Benefits Paid		(48.15)	(13.27)	(71.85)	(7.26)
Actuarial (gain)/ loss on obligation		(62.71)	(101.50)	35.68	(58.60)
PVO at end of period		702.82	214.70	606.44	191.75



NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2014 (Contd.)

(₹ in Lacs)

	As at 31st March, 2014		As at 31st March, 2013	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
21. EMPLOYEE BENEFITS EXPENSE (Contd.)				
III Changes in fair value of plan assets				
Fair Value of Plan Assets at beginning of period	449.72	96.06	328.03	75.08
Adjustment to Opening Fair Value of Plan Assets	-	-	-	-
Expected Return on Plan Assets	44.36	9.34	34.45	7.56
Contributions	107.78	23.17	160.68	20.62
Benefit Paid	(48.16)	(13.27)	(71.85)	(7.26)
Actuarial gain/ (loss) on plan assets	(1.94)	(0.31)	(1.59)	0.06
Fair Value of Plan Assets at end of period	551.76	114.99	449.72	96.06
IV Fair Value of Plan Assets				
Fair Value of Plan Assets at beginning of period	449.72	96.06	328.03	75.08
Adjustment to Opening Fair Value of Plan Assets	-	-	-	-
Actual Return on Plan Assets	42.41	9.03	32.86	7.62
Contributions	107.78	23.17	160.68	20.61
Benefit Paid	(48.15)	(13.27)	(71.85)	(7.26)
Fair Value of Plan Assets at end of period	551.76	114.99	449.72	96.05
Funded Status	(151.06)	(99.71)	(156.73)	(95.68)
Excess of actual over estimated return on Plan Assets	(1.94)	(0.31)	(1.59)	(0.06)
V Actuarial Gain/ (Loss) Recognized				
Actuarial Gain/ (Loss) for the period (Obligation)	62.71	101.50	(35.68)	58.60
Actuarial Gain/ (Loss) for the period (Plan Assets)	(1.94)	(0.31)	(1.59)	0.06
Total Gain/ (Loss) for the period	60.77	101.19	(37.27)	(58.66)
Actuarial Gain/ (Loss) recognized for the period	60.77	101.19	(37.27)	(58.66)
Unrecognized Actuarial Gain/ (Loss) at end of period	-	-	-	-
VI Amounts to be recognized in the balance sheet and statement of P&L A/c				
PVO at end of period	702.82	214.70	606.45	191.74
Fair Value of Plan Assets at end of period	551.76	114.99	449.72	96.06
Funded Status	(151.06)	(99.71)	(156.73)	(95.68)
Unrecognized Actuarial Gain/ (Loss)	-	-	-	-
Net Asset/ (Liability) recognized in the balance sheet	(151.06)	(99.71)	(156.73)	(95.68)
VII Expense recognized in the statement of P&L A/c				
Current Service Cost	160.35	122.83	150.64	100.23
Interest Cost	46.88	14.90	35.73	12.04
Expected Return on Plan Assets	(44.36)	(9.34)	(34.45)	(7.56)
Net Actuarial (Gain)/ Loss recognized for the period	(60.77)	(101.18)	37.27	(58.66)
Expense recognized in the statement of P&L A/c	102.10	27.21	189.19	46.05
VIII Movements in the Liability recognized in Balance Sheet				
Opening Net Liability	156.73	95.69	128.22	70.24
Adjustment to Opening Fair Value of Plan Assets	-	-	-	-
Expenses as above	102.11	27.20	189.19	46.05
Contribution Paid	(107.78)	(23.17)	(160.68)	(20.61)
Closing Net Liability	151.06	99.72	156.73	95.68



Value through values

Sangam (India) Limited

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2014 (Contd.)

	As at 31st March, 2014		As at 31st March, 2013	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
21. EMPLOYEE BENEFITS EXPENSE (Contd.)				
IX. Experience Analysis - Liabilities				
Actuarial (Gain)/ Loss due to change in bases	(54.65)	(14.44)	35.23	10.13
Experience (Gain)/ Loss due to Change in Experience	(8.06)	(87.06)	0.45	(68.72)
TOTAL	(62.71)	101.50	35.68	(58.59)
Experience Analysis - Plan Assets				
Experience (Gain)/ Loss due to Change in Plan Assets	1.94	0.31	1.59	(0.06)
X. Schedule VI Details				
Current Liability	151.06	99.72	156.73	95.68
Non-Current Liability	551.76	114.99	449.72	96.06

Particulars	2014	2013
22. POWER & FUEL		
Power & Fuel	13858	14264
TOTAL	13858	14264

Particulars	2014	2013
23. TOLL CONTRACT FEE		
Toll Contract Fee	5645	8817
TOTAL	5645	8817

Particulars	2014	2013
24. FINANCE COSTS		
Interest Expenses	6253	6545
Bank Charges	352	292
Applicable loss on foreign currency transactions and translation (Net)	1	30
TOTAL	6606	6867

Particulars	2014	2013
25. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation and Amortisation	7432	7698
TOTAL	7432	7698



NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2014 (Contd.)

		(₹ in Lacs)	
Particulars		2014	2013
26. OTHER EXPENSES			
A. Manufacturing Expenses			
Stores & Spares Consumed		3059	2926
Packing Material Consumed		1602	1534
Processing and Other Job Charges		1289	1696
Repairs To: Plant & Machinery		389	421
Building		95	135
Others		36	41
Other Manufacturing Expenses		875	833
TOTAL (A)		7345	7586
B. Administrative Expenses			
Rent		33	35
Rates & Taxes		47	23
Payments to Auditors : Statutory Audit Fees		9	8
Certification & Other Services		17	6
Out of Pocket Expenses		2	2
Cost Audit Fees		1	1
Insurance Premium		155	143
Directors' Travelling		35	15
Travelling & Conveyance		217	213
Telephone & Postage		82	74
Directors' Remuneration		153	144
Printing & Stationery		45	46
Legal & Professional Fees		117	77
Vehicle Running & Maintenance		440	405
Director's Sitting Fees		8	9
Charity and Donations		14	14
Miscellaneous Expenses		173	114
TOTAL (B)		1548	1329
C. Selling and Distribution Expenses			
Sales Incentive, Commission & Brokerage		1238	1192
Rebates & Claims		71	109
Freight, Octroi and Other Selling Expenses		2515	2556
Total (C)		3824	3857
D. Other Expenses			
Loss on Sale of Fixed Assets (Net)		28	22
TOTAL (D)		28	22
TOTAL (A+B+C+D)		12745	12794



Value through values

Sangam (India) Limited

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2014 (Contd.)

	2014		2013	
	₹ in Lacs	% of Consumption	₹ in Lacs	% of Consumption
26. OTHER EXPENSES (Contd.)				
26.1 Value of Stores & Spares Consumed				
Imported	410	13.40	521	17.81
Indigenous	2649	86.60	2405	82.19
TOTAL	3059	100.00	2926	100.00

	2014		2013	
	₹ in Lacs	% of Consumption	₹ in Lacs	% of Consumption
26.2 Value of Imports On Cif Basis In Respect of				
Raw Materials	615		1066	
Stores & Spares	394		629	
Capital Goods	544		156	
TOTAL	1553		1851	
26.3 Expenditure In Foreign Currency				
Travelling Expenses	45		32	
Other Expenses	634		626	
TOTAL	679		658	

Particulars	2014		2013	
	₹ in Lacs	% of Consumption	₹ in Lacs	% of Consumption
27. EARNINGS PER SHARE (EPS)				
i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Lacs)	4050		5130	
ii) Weighted Average number of equity shares used as denominator for calculating EPS	39421559		39421559	
iii) Basic and Diluted Earning per share (₹)	10.27		13.01	
iv) Face Value per equity share (₹)	10		10	

Particulars	2014		2013	
	₹ in Lacs	% of Consumption	₹ in Lacs	% of Consumption
28. EARNINGS IN FOREIGN EXCHANGE				
FOB value of exports	33774		29526	
TOTAL	33774		29526	



NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2014 (Contd.)

Particulars	(₹ in Lacs)	
	Year Ended 31.03.2014	Year Ended 31.03.2013
29. Detail of pre operative expenses capitalized/ deferred for capitalisation under the head Capital Work in Progress		
Opening Balance	7	16
Financial Charges	92	63
Administrative Expenses	-	-
Total amount	99	79
Less: Exp. Apportioned to fixed assets	28	72
Balance yet to be allocated	71	7

30. AS PER ACCOUNTING STANDARD (AS) 17 ON "SEGMENT REPORTING, SEGMENT INFORMATION HAS BEEN PROVIDED AS UNDER

Primary/ secondary segments

- The risk-return profile of the Company's business is determined predominantly by the nature of its products and services. Accordingly, the business segments constitute the primary segments for disclosure of segment information.
- In respect of secondary segments information, the Company has identified its geographical segments as (i) domestic and (ii) overseas. The secondary segment information has been disclosed accordingly.

Segment composition

The Company operates mainly in two segments i.e. Textile & Toll Plaza. The Company is also having Wind Power Plant and some miscellaneous activities operation which is included in Textile Segment. Toll Plaza segment of the Company comprises of collection of user fees by the Company in accordance with the contracts entered into by the Company with the National Highways Authority of India.

Particulars	(₹ in Lacs)					
	Textile		Toll Plaza		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Primary segment					7	16
<i>Revenue</i>						
External sales	139164	138736	4097	9148	143261	147884
Total Revenue	139164	138736	4097	9148	143261	147884
<i>Result</i>						
Segment result	13532	13440	(1852)	(92)	11680	13348
Interest expense (Net)					5565	5865
Profit/ Loss Before Tax					6115	7483
Less: Tax Expenses					2065	2353
Net Profit					4050	5130
<i>Other Information</i>						
Segment assets	108661	110828	1052	2280	109713	113108
Segment liabilities	12917	11929	(31)	252	12886	12181
Capital Employed	95744	98899	1083	2028	96827	100927
Capital expenditure incurred during the year	3788	3759	6	3	3794	3762
Depreciation (included in segment expenses)	7427	7681	4	17	7431	7698

Particulars	(₹ in Lacs)	
	2013-14	2012-13
Secondary Segment		
<i>Revenue</i>		
Domestic	112236	118446
Export	34234	30075
TOTAL	146470	148521

- During the previous years, the Company has been awarded toll plazas for collection of user fee in lieu of transferring Central Government's user fee collection rights for the said toll plazas of the National Highway Authority of India (NHAI) for a period of one year. Under these agreements, the operator does not own the road, but gets toll collection rights.
- There have been disputes on the various tolls for which company is contingently liable for ₹ 464 Lacs (Previous Year ₹ NIL)



Value through values

Sangam (India) Limited

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2014 (Contd.)

31. INTEREST IN JOINT VENTURE COMPANY

The Company has the following interest in its Joint Venture Companies:-

- Keti Sangam Infrastructure (India) Ltd. (Country of Incorporation: India)
The Company is holding 780600 (Previous Year 780600) equity shares of ₹ 10 each at premium of ₹ 90 per equity share [26.02% equity as on 31.03.14 (Previous year 26.02%)] in the Joint Venture Company M/s. Keti Sangam Infrastructure (India) Ltd. for execution of BOT Project at Aurangabad National Highway.
- PKSS Infrastructure Pvt. Ltd./ Kalyan Sangam Infratech Ltd. (Country of Incorporation: India)
The Company had originally participated in the joint venture for MCD toll collection project i.e. PKSS Infrastructure Pvt. Ltd. and for BOT Project at Thane-Bhiwadi i.e. Kalyan Sangam Infratech Ltd. and the Company holds the investment of ₹ 39000 in PKSS Infrastructure Pvt. Ltd. by way of 3900 (Previous Year 3900) equity shares of ₹ 10 each [2.48% equity as on 31.03.14 (2.48% equity as on 31.03.13)] and ₹ 3.75 lacs in Kalyan Sangam Infratech Ltd. by way of 37500 (Previous Year 37500) equity shares of ₹ 10 each [0.75 % equity as on 31.03.14 (0.75 % equity as on 31.03.13)]
- The Company's proportionate share in the assets liabilities income and expenses of its Joint Venture Company Keti Sangam Infrastructure (India) Ltd. Is 26.02% (Previous Year 26.02%) of the below total:

Particulars	(₹ in Lacs)	
	As at 31st March 2014 Unaudited	As at 31st March 2013 Audited
Equity And Liabilities		
Shareholders' Funds		
Share Capital	924	924
Reserves and Surplus	1893	3442
	2817	4366
Share application money pending allotment		
Non-Current Liabilities		
Long Term Borrowings	27707	24664
Deferred Tax Liability (net)	8	7
	27715	24671
Current Liabilities		
Trade Payables	20	16
Other Current Liabilities / Provisions	12	1775
	32	1791
TOTAL	30564	30828
Assets		
Non-Current Assets		
Fixed Assets		
Tangible Assets	72	88
Intangible Assets	22543	23801
Non-Current Investments	7586	6181
	30201	30070
Current Assets		
Cash and Bank Balances	353	750
Short Term Loans and Advances	6	4
Other Current Assets	4	4
	363	758
TOTAL	30564	30828

Particulars	(₹ in Lacs)	
	2013-14	2012-13
Statement of Profit and Loss		
Income		
Revenue from Operations		
Toll Collection	3868	3285
Other Income	70	60
Total Revenue	3938	3345
Expenditure		
Finance Costs	3280	2597
Depreciation and Amortisation Expense	1275	1275
Other Expenses	932	677
Total Expenses	5487	4549
Profit Before Tax	(1549)	(1204)
Tax Expenses	-	(1)
Profit for the year	(1549)	(1205)



NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2014 (Contd.)

32. RELATED PARTY DISCLOSURES:

i. Related Party Transactions

As per Accounting Standard (AS-18) on Related Party Disclosures issued by ICAI, the disclosures of related parties as defined in the Accounting Standard is given below:-

Enterprises over which Directors and Relatives of such personnel exercise significant influence	
Associate Company	
Sangam Infratech Ltd.	
Marigold Investments (P) Ltd.	
Sangam Business Credit Ltd.	
Sangam Suitings Pvt. Ltd.	
Mahalaxmi TMT Pvt. Ltd.	
Raj Rajeshwar Enterprises Pvt. Ltd.	
Nikita Credits Pvt. Ltd.	
Joint Venture	
Keti Sangam Infrastructure (India) Ltd.	
PKSS Infrastructure Pvt. Ltd.	
Kalyan Sangam Infratech Ltd.	
Key Management Personnel	
Shri R.P. Soni	
Shri S.N. Modani	
Shri V.K. Sodani	
Relative of Key Management Personnel	Relationship
Smt. Radha Devi	Wife of Director Shri R.P. Soni
Ms. Antima Soni	Daughter of Director Shri R.P. Soni
Shri Anurag Soni	Son of Director Shri R.P. Soni
Shri Pranal Modani	Son of Director Shri S.N. Modani
Smt. Mamta Modani	Wife of Director Shri S.N. Modani
Smt. Archana Sodani	Wife of Director Shri V.K. Sodani
Smt. Anjana Thakur	Daughter of Director Shri R.P. Soni
Others	
Shri R.P. Soni HUF	

ii. Transactions during the year with related parties:

Nature of Transaction	Salary / Training Exp.		Insurance Premium		Rent		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Key Management Personnel	153	144	13	9	-	-	166	153
Relatives of Key Management Personnel	85	73	11	5	10	9	106	87
Others	-	-	-	-	1	1	1	1
TOTAL	238	217	24	14	11	10	273	241

Nature of Transaction	Loan Taken		Loan Given		Interest Received	
	2014	2013	2014	2013	2014	2013
Associate Company	-	2000	4900	4530	294	197
(i) Maximum Balance	-	-	-	4530	-	-
(ii) Closing Balance	-	-	-	-	-	-

Sale of Goods	2014	2013
	(₹ in Lacs)	(₹ in Lacs)
Associate Company	1187	476

Purchase/Job Charges	2014	2013
	(₹ in Lacs)	(₹ in Lacs)
Associate Company	257	1111

Purchase of Capital Goods	2014	2013
	(₹ in Lacs)	(₹ in Lacs)
Associate Company	17	43

Sale of Capital Goods	2014	2013
	(₹ in Lacs)	(₹ in Lacs)
Joint Venture Company	1	-



Value through values

Sangam (India) Limited

NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2014 (Contd.)

Particulars	(₹ in Lacs)	
	2013-14	2012-13
33. CONTINGENT LIABILITIES AND COMMITMENTS		
(I) CONTINGENT LIABILITIES		
(A) Disputed liabilities not acknowledged as debts		
Demand for income tax	21	21
(B) Guarantees		
Outstanding Bank Guarantees	2002	2499
(C) Other Money for which the company is contingently liable		
(i) Liability in respect of bills discounted with Banks (including third party bills discounting)	37	481
(ii) Stamp Duty case with respect to the merger of SPBL & Sangam India Limited pending with Rajasthan High Court, Jodhpur.	109	109
(iii) Sales tax case pending with Tax Board, Ajmer and Dy. Comm. Appeal. The Demand raised for input tax credit not reversed properly.	72	194
(iv) AVVNL case (Power Factor matter) pending with Rajasthan High Court, Jodhpur. Company has provided fully.	-	39
(v) Various cases pending with Central Excise & Service Tax (Nett of amount fully provided)	15	-
(vi) Case pending with Rajasthan High Court, Jodhpur under Electricity Act, 2003	20	-
(vii) Entry Tax case pending with Rajasthan High Court, Jodhpur. Entry Tax Levied by State Govt. which is challenged by us due to this Law is against the Constitution, However company has provided the demand amount fully. The Company is contingently liable to the Interest and Penalty, the amount for which is currently uncertained.	-	-
(viii) Disputes on the various tolls for which company is contingently liable	464	-
(II) COMMITMENTS		
(A) Estimated amount of contracts (Net of advances) remaining to be executed on capital account and not provided for	6342	2869
(B) Obligations		

In respect of capital goods imported at the concessional rate of duty under the Export Promotion Capital Goods Scheme, the company has an export obligation of approximately ₹ 1021 Lacs (Previous Year ₹ 1339 Lacs), which is required to be met at different dates, before 31.03.2020. In the event of non-fulfillment of the export obligation, the company will be liable to pay customs duties and penalties, as applicable. The company is confident of meeting its export obligation.



NOTES ON FINANCIAL STATEMENTS

for the year ended 31st March, 2014 (Contd.)

34. FINANCIAL AND DERIVATIVE INSTRUMENTS

Financial and Derivative Instruments (For Hedging Currency Risks) and Unhedged Foreign Currency Exposure.

a) Forward contract outstanding as at Balance Sheet Date.

Particulars	Currency	2014	2013	Purpose
Forward Exchange Contract	USD	\$ 112.52 Lacs	\$ 150.69 Lacs	Export
Forward Exchange Contract	Euro	€ 18.76 Lacs	€ 12.50 Lacs	Export
	Total INR (₹ in Lacs)	8868	9314	

There is no derivative contract for option which is outstanding as at 31.03.2014.

b) Unhedged Foreign Currency Exposure:

Particulars	Currency	2014	2013
Import (Raw Materials)	USD	\$ 0.84 Lacs	-
Import (Stores & Spares)	Euro	€ 0.09 Lacs	-
	Total INR	58 Lacs	-

35. In the opinion of Management, there is no impairment of assets in accordance with accounting standard (AS-28) as on Balance sheet date.
36. The company has been entitled for capital subsidy on the amount of Investment in Plant & Machinery, i.e. 10% of the basic price of Machinery. The amount of Capital subsidy deducted from Gross Value of Plant & Machinery is ₹ NIL (Previous Year ₹ 17 Lacs).
37. The figures of the previous period have been re-grouped / re-arranged and / or recast wherever found necessary.

As per report of even date attached

For **R. Kabra & Co.**

Chartered Accountants

(Registration No. 104502W)

(**R.L. Kabra**)

Partner

M.Ship No. 016216

Camp : Bhilwara

Date: April 30, 2014

For **B.L. Chordia & Co.**

Chartered Accountants

(Registration No. 000294C)

(**B.L. Chordia**)

Partner

M.Ship No. 010882

Place : Bhilwara

Date: April 30, 2014

For and on behalf of the Board

(**R.P. Soni**)

Chairman

(**G.C. Jain**)

President

(**S.N. Modani**)

Managing Director

(**Anil Jain**)

Jt. President (Fin.) & Secretary

(**V.K. Sodani**)

Executive Director



Value through values

Sangam (India) Limited

CASH FLOW STATEMENT

for the Year ended 31st March, 2014

(₹ in Lacs)

Particulars	Current Year	Previous Year
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	6115	7483
Adjustments for		
Depreciation and Amortisation Expense	7432	7698
Finance costs	6606	6867
Interest income	(1040)	(1002)
Provision for Doubtful Debts & advances	30	45
Loss on sale of Fixed Assets (net)	28	22
Operating Profit before working capital changes	19171	21113
Adjustment for		
Inventories	(2018)	(1205)
Trade & Other Receivables	606	(4466)
Trade & Other Payables	570	1541
Cash Generated from Operations	18329	16983
Taxes Paid	2069	1454
Net Cash Inflow /(Out Flow) from Operating Activities	16260	15529
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3794)	(3762)
Sale of fixed assets	361	333
Interest income	338	394
Net Cash Inflow/(Outflow) from investing Activities	(3095)	(3035)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings (net)	(7414)	(7060)
Increased/Decreased in Short- term Borrowings	221	1204
Finance costs	(6606)	(6867)
Interest income	702	608
Dividend paid (including tax on dividend)	(557)	(461)
Net Cash Inflow /(Out Flow) from Financing Activities	(13654)	(12576)
Net Increase/(Decrease) in cash & Cash equivalents	(489)	(82)
Cash and Cash equivalents at the beginning	817	899
Cash and Cash equivalents at the end	328	817

As per report of even date attached

For **R. Kabra & Co.**

Chartered Accountants

(Registration No. 104502W)

(R.L. Kabra)

Partner

M.Ship No. 016216

Camp : Bhilwara

Date: April 30,2014

For **B.L. Chordia & Co.**

Chartered Accountants

(Registration No. 000294C)

(B.L. Chordia)

Partner

M.Ship No. 010882

Place : Bhilwara

Date: April 30,2014

For and on behalf of the Board

(R.P. Soni)

Chairman

(G.C. Jain)

President

(S.N. Modani)

Managing Director

(Anil Jain)

Jt. President (Fin.) & Secretary

(V.K. Sodani)

Executive Director

CORPORATE Information

BOARD OF DIRECTORS

R. P. Soni	Chairman
S. N. Modani	Managing Director & CEO
V. K. Sodani	Executive Director
Ramawatar Jaju	Director
A. Karati	Director
T. K. Mukhopadhyay	Director

MANAGEMENT TEAM

Anurag Soni	Chief Business Strategist
G. C. Jain	President
Anil Sharma	President (Works - Processing)
Sanjeev Joshi	President (Domestic Marketing - Fabric)
Anil Jain	CFO & Company Secretary
L. L. Soni	Jt. President (Finance & Investor Relations)
K. M. Rathi	Jt. President (Commercial)
S. K. Pandey	Jt. President (Works - Spinning Unit-II)
S. K. Bagela	Executive Vice President (Technical - Spinning Unit-I)
Sunil Rathi	Executive Vice President (Denim)
P. R. Khator	Sr. Vice President (Commercial)
Lalit Jain	Sr. Vice President (Accounts)
M. Bhanu Pratap	Sr. Vice President (TPP)

AUDITORS

R. Kabra & Co.	Mumbai
B. L. Chordia & Co.	Bhilwara

BANKERS

State Bank of India	IDBI Bank Ltd.
State Bank of Patiala	Oriental Bank of Commerce
State Bank of Hyderabad	Union Bank of India
State Bank of Bikaner & Jaipur	Central Bank of India
Bank of Baroda	Exim Bank
Corporation Bank	

REGISTERED OFFICE

Atun, Chittorgarh Road,
Bhilwara - 311001, Rajasthan
Tel No.: 01482-304000
Fax: 01482-304120
e-mail: secretarial@sangamgroup.com

PRINCIPAL & HEAD OFFICE

B/306-309, Dynasty Business Park
Andheri Kurla Road,
J B Nagar Andheri (E)
Mumbai 400 059. INDIA
Tel No : +91-22- 6111 5222/ 5200
Fax No.: +91-22- 2822 7865/ 6111 5265

PLANT LOCATIONS

Spinning Unit I

Village Biliya Kalan, Chittorgarh Road,
Bhilwara – 311 001, Rajasthan

Spinning Unit II

91, Km Stone, N.H No. 79, Village Sareri
Distt : Bhilwara – 311 024, Rajasthan

Weaving & Processing Unit

Village Atun, Chittorgarh Road,
Bhilwara – 311 001, Rajasthan

Denim Unit

Village Biliya Kalan, Chittorgarh Road
Bhilwara – 311 001, Rajasthan



Value through values

Sangam (India) Limited

www.sangamgroup.com



If undelivered, please return to:

Sangam (India) Limited

B/306-309, Dynasty Business Park,

A.K. Road, J.B. Nagar, Andheri (E)

Mumbai-400059 (Mh.) India

NOTICE TO THE MEMBERS

NOTICE IS HEREBY GIVEN THAT THE 28TH ANNUAL GENERAL MEETING OF THE MEMBERS OF "SANGAM (INDIA) LIMITED" WILL BE HELD ON TUESDAY THE 30TH SEPTEMBER, 2014 AT 4.00 P.M. AT "THE PLAM", MANGROP ROAD, HARNI KALAN, BHILWARA-311001 (RAJASTHAN) TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2014 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare Dividend for the financial year 2013-14.
3. To appoint a Director in place of Shri Ram Pal Soni (Holding DIN 00401439), who retires by rotation and being eligible offer himself for re-appointment.
4. To appoint M/s R.Kabra & Company, Chartered Accountants (Registration No. 104502W) and M/s B.L.Chordia & Company Chartered Accountants (Registration No. 000294C), the retiring Auditors of the Company, as Joint Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:
 "RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Shri Achintya Karati (Holding DIN 00024412), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 consecutive years from the date of this annual general meeting.
6. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:
 RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Shri Ramawatar Jaju (Holding DIN 00083218), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 consecutive years from the date of this annual general meeting.

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

"RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Shri Tapan Kumar Mukhopadhyay (Holding DIN 00239251), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 consecutive years from the date of this annual general meeting.

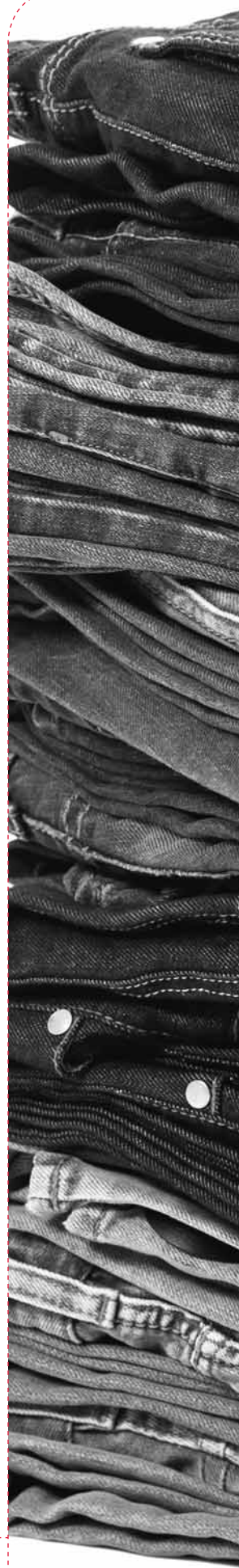
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a special Resolution:

RESOLVED THAT pursuant to the provisions of Article of Association of the company and Section 196, 197 and 203 and other applicable provisions of the Companies Act, 2013, if any, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 (Corresponding to Sections 198, 269 and 309 of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) the consent of the company be and is hereby accorded to re-appointment of Shri S.N.Modani (Holding DIN 00401498), Managing Director of the Company for a period of 5 years effective from 1st.October, 2014 on the revised terms and conditions of appointment including remuneration and perquisites as are set out in the draft agreement, as may be agreed to by the Board of Directors and Shri S.N.Modani, to be executed between the Company and Shri S.N.Modani on 30th. September, 2014.

RESOLVED FURTHER THAT in the event of absence or inadequacy of Profits in any year, Shri S.N.Modani be paid the aforesaid remuneration and perquisites as minimum remuneration for that year.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter called "the Board") may in its absolute discretion alter and vary the terms of remuneration of Shri S.N.Modani within the limits permissible under the law for the time being.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable.



9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a special Resolution: RESOLVED THAT in modification of Resolution No. 5 passed at the Annual General Meeting of the Company held on 28th September, 2012 for re-appointment of Shri V.K. Sodani, Executive Director of the Company and pursuant to the provisions of Section 197 and other applicable provisions of the Companies Act, 2013, if any and the rules made thereunder (including any statutory modification(s) of re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 (corresponding to Section 198, 309 and 310 of the Companies Act, 1956) read with Schedule XIII to the Companies Act, 1956), the Company hereby approves revision in the terms of remuneration of Shri V.K. Sodani, Executive Director of the Company by revision in perquisites w.e.f. financial year 2014-15 in addition to his remuneration as approved in the Annual General Meeting held on 28th September, 2012 and amended in the Annual General Meeting held on 30th September, 2013 for the remainder of his tenure.

RESOLVED FURTHER that the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution.

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a special Resolution: RESOLVED THAT in supersession of the earlier resolution passed at the general meeting held on 30th September, 2006 under Section 293 (1)(d) of the Companies Act, 1956 and pursuant to Section 180(1)(c) and all other enabling provisions of the Companies Act, 2013, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") for borrowing from time to time any sum or sums of moneys on such terms and conditions and with or without security as the Board of Directors may deem fit which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that the total amount of money/ moneys so borrowed shall not exceed ₹1200 crores (Rupees One Thousand Two Hundred Crores Only).

RESOLVED FURTHER THAT the Board or any of its duly constituted committee be and is hereby authorised to do and perform all such acts, deeds and things and to take all steps as may be considered necessary, proper and expedient to carry on the purpose of this resolution."

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a special Resolution: "RESOLVED THAT in supersession of the earlier resolution passed at the general meeting held on 30th September, 2006 under Section 293 (1)(a) of the Companies Act, 1956 and pursuant to the provisions of section 180(1)(a) and all other applicable provisions if any of the Companies Act, 2013 or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof) and in terms of Articles of Association of the Company, the consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter "the Board") for mortgaging/charging all or any of the immovable and movable properties of the Company both present and future and the whole or substantially the whole of the undertaking or the

undertakings of the Company on such terms and conditions, as may be agreed to between the Board and Lender(s) to secure the loans /borrowings obtained or as may be obtained, which may exceed the paid-up capital and free reserves in the ordinary course of business but not exceeding ₹1200.00 Crores (Rupees One Thousand Two Hundred Crores Only) at any point of time."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board or any of its duly constituted committee be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion may deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the charge/mortgage aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

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

RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any modification(s) or re-enactment thereof), and subject to applicability of Cost Audit on the Company in terms of the Companies (Cost Records and Audit) Rules, 2014, the following Firms of Cost Accountants appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the various units of the Company for the financial year ending 31st March, 2015, be paid the remuneration as set out in the statement annexed to the Notice convening this Meeting:

- a. M/s K.G.Goyal & Co., Cost Accountant (Firm Registration No.000017), Jaipur, to conduct the audit of the cost records of Company's units (i) SANGAM (INDIA), Bhilwara (ii) Sangam Spinners, Vill. Billiya Kalan, Dist. Bhilwara (unit of- Sangam (India) Ltd.) (iii) Sangam Spinners, Vill. Sareri, Dist. Bhilwara (unit of- Sangam (India) Ltd.) (iv) Sangam Suitings, Vill. Atun, Dist. Bhilwara (unit of- Sangam (India) Ltd.) (v) Sangam Denim, Vill. Billiya, Dist. Bhilwara (unit of- Sangam (India) Ltd.)
- b. M/s V.K.Goyal & Co., Cost Accountant (Firm Registration No. 100233), Bhilwara to conduct the audit of the cost records of Company's unit Sangam Process (Unit of Sangam (India) Ltd.), Outside Octroi Post, Atun, Bhilwara

FURTHER RESOLVED that the Board of Directors and/or the Company Secretary, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and such proxy need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

The instrument of proxy, in order to be effective, should be duly stamped, completed and signed and must be deposited at the registered office of the company not less than 48 hours before the time for holding the aforesaid meeting.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing

their representative to attend and vote on their behalf at this Meeting.

3. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of item No. 5 to 12 of the Notice set out above, is annexed hereto.
4. The company's Register of members and share transfer books shall remain closed from Monday the 22nd September, 2014 to Tuesday the 30th September, 2014 (both days inclusive) to decide the entitlement of shareholders for the payment of dividend in accordance with the recommendation of the Board of Directors.
5. All documents referred to in the accompanying notice are open for inspection at the registered office of the company in all working days except Saturday and holidays, between 11.00 A.M. to 1.00 P.M. up to the date of Annual General Meeting.
6. Dividend of ₹1.50/- per share has been recommended by the Board of Directors for the year ended 31st March, 2014 and subject to approval of members at this Annual General Meeting, is proposed to be paid within seven days of Annual General Meeting.
7. Investors holding the shares in physical form should provide the National Electronic Clearing Service (NECS) mandate to the Company and investors holding the shares in demat form should ensure that correct and updated particulars of their bank account are available with the Depository Participant (DP). This would facilitate in receiving direct credits of dividends, refunds etc., from companies and avoid postal delays and loss in transit. Investors must update their new bank account numbers allotted after implementation of Core Banking Solution (CBS) to the Company in case of shares held in physical form and to the DP in case of shares held in demat form.
8. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the "Investor Education and Protection Fund" (IEPF) constituted by the Central Government. The Company had, accordingly, transferred ₹662916/- being the unpaid and unclaimed dividend amount pertaining to the financial year 2005-06, on 6th November, 2013 to the IEPF of the Central Government.

The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the members ascertain status of the unclaimed amount and overcome the problems due to misplacement of intimation thereof by post, etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the unclaimed dividends on the website of the IEPF, viz. www.iepf.gov.in.
9. Members desirous of making nomination as permitted under Section 109A of the Companies Act, 1956 in respect of the shares held by them in the company, can make the nomination in Form 2B.
10. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to

submit the PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the Company.

12. Electronic copy of the Annual Report for the financial year 2013-14 is being sent to all the members, whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2013-14 is being sent in the permitted mode.
13. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc., from the company electronically.
14. Members may also note that the Notice of the 28th Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website www.sangamgroup.com for their download.
15. Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014, the Company is pleased to provide the members facility to exercise their votes at the 28th AGM by electronic means and the business may be transacted through e-voting as per instructions below:
 - (a) Date and time of commencement of voting through electronic means: September 22, 2014 at 9.00 a. m.
 - (b) Date and time of end of voting through electronic means beyond which voting will not be allowed: September 24, 2014 at 6.00 p. m.
 - (c) Details of Website: www.evotingindia.com
 - (d) Details of persons to be contacted for issues relating to e-voting: Mr. Bhagwan, M/s Bigshare Services Pvt. Ltd., Tel. No. (022) 40430200, e-mail: bhagwan@bigshareonline.com; and CDSL at Tel. No. 18002005533, e-mail: helpdesk.evoting@cdslindia.com
 - (e) Instructions for e-voting are given herealong separately as an Annexure to the Notice.
 - (f) Details of Scrutinizer: M/s M.Kumawat & Associates, Chartered Accountants, Bhilwara

The e-voting module shall be disabled for voting on September 24, 2014 at 6.00 p.m. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting right of shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date August 29, 2014.

M/s M.Kumawat & Associates, Chartered Accountants have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman. The results shall be declared on or after the AGM.

The results declared along with the Scrutinizer's Report, shall be placed on the Company's website www.sangamgroup.com and on the website of the Central Depository Services (India) Limited, www.cdslindia.com, within two days of the AGM of the Company on September 30, 2014, and communicated to BSE Limited

and National Stock Exchange of India Limited, where the shares of the Company are listed.

16. This notice is being issued having regard to provisions of Section 108 and 110 of the Companies Act, 2013, General Circular no. 20/2014 dated June 17, 2014 issued by Ministry of Corporate Affairs, Government of India and clause 35B of the Listing Agreement with Stock Exchanges.

By Order of the Board of Directors

(ANIL JAIN)

Jt. President (Finance) & Company Secretary

Date: 31st July, 2014

Place: Bhilwara

EXPLANATORY STATEMENT

(Pursuant to section 102 of the Companies Act, 2013)

Item No. 5

Shri Achintya Karati, aged 68 Years, is a Non Executive, Independent Director of the Company. He joined the Board of Directors of the Company in December 2004. Shri Karati is the member of Audit Committee and Stakeholders Relationship Committee of the Board of Directors of the Company.

Shri Karati was associated with ICICI, a Public Financial Institution (which was subsequently converted into bank) from 1978 to April 2004. After retirement from ICICI Bank in April 2004, Shri Karati served as Senior Advisors of ICICI Securities Limited, ICICI Bank Ltd. and ICICI Prudential Life Insurance Company Limited. Shri Karati was also associated with NCDEX, a Commodity Exchange promoted by ICICI, NABARD, NSC, CRISIL and IFFCO as Head Govt. & Institutions.

Shri Karati was also associated with Ratnakar Bank from June 2012 to 31st March 2014. Before Ratnakar Bank Shri Karati was Senior Country Advisor of Yes Bank Limited for a period of 2 years from June 2010.

Before ICICI, Shri Karati was Company Secretary in a Private Sector Group of Companies at Kolkata and was looking after their Secretarial Legal, Commercial & Corporate Affairs. In all he has vast experience in the financial and legal fields spanning for 33 years.

Shri Karati served as Country Head of Government and Institutional Solutions Group, ICICI Bank Limited looking after Government Departments and Public Sector Undertaking across the Country having four Zonal Managers stationed at North, South, East & West. He also served as Senior General Manager of ICICI Bank for Government Banking Group & Rural, Micro Credit and Agri Business Group. Before aforesaid, he served ICICI Limited as Deputy Zonal Manager (North) and Head of Major Client Group (North), this group was dedicated to large private and public sector companies for all their financial requirements.

Shri Achintya Karati is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act 1956. Under the Companies Act, 2013, it is required that independent directors not be liable to retire by rotation and be appointed for a fixed term. In terms of section 149, 150 and 152 and other applicable provisions of the Companies Act, 2013, Shri Achintya Karati being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a period of five consecutive years from the date of this Annual General Meeting. A notice has been received from a member proposing Shri Achintya Karati as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Achintya Karati fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for

his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Achintya Karati as an Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Shri Achintya Karati as an Independent Director, for the approval by the shareholders of the Company.

The details of the Directorship and/or Membership/Chairmanship of Committees of the Board of Shri Achintya Karati (except Private Companies) as on March 31, 2014 are as follows:

S. No.	Name of the Company	Committee Positions held (excluding in Company)	
		Audit Committee	Stakeholders Relationship Committee
1	Uflex Ltd.	Member	-
2	Shyam Telecom Ltd.	Member	-
3	J.K. Cement Ltd.	Member	-
4	Jay Bharat Maruti Ltd.	Member	-
5	Delton Cables Ltd.	-	-

Shri Achintya Karati does not hold any shares in the Company.

Except Shri Achintya Karati, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 6

Shri Ramawatar Jaju, aged 65 Years, is a Non Executive Independent Director of the Company. He joined the Board of Directors of the Company in September 1999. Shri Jaju is the Chairman of Audit Committee and Stakeholders Relationship Committee of the Board of Directors of the Company.

Shri Jaju has over 30 years of experience in Corporate sector. He is Managing Director of Adarsh International Ltd. and played a defining role in making of Adarsh International Ltd.

Shri Jaju is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act 1956. Under the Companies Act, 2013, it is required that independent directors not be liable to retire by rotation and be appointed for a fixed term. In terms of section 149, 150 and 152 and other applicable provisions of the Companies Act, 2013, Shri Ramawatar Jaju being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a period of five consecutive years from the date of this Annual General Meeting. A notice has been received from a member proposing Shri Ramawatar Jaju as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Ramawatar Jaju fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Ramawatar Jaju as an Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Shri Ramawatar Jaju as an Independent Director, for the approval by the shareholders of the Company.

The details of the Directorship and/or Membership/Chairmanship of Committees of the Board of Shri Ramawatar Jaju (except Private Companies) as on March 31, 2014 are as follows:

S. No.	Name of the Company	Committee Positions held (excluding in Company)	
		Audit Committee	Stakeholders Relationship Committee
1	Adarsh International Ltd.	-	-

Shri Shri Ramawatar Jaju does not hold any shares in the Company.

Except Shri Ramawatar Jaju, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 7

Shri Tapan Kumar Mukhopadhyay, aged 65 Years, is a Non Executive Independent Director of the Company. He joined the Board of Directors of the Company in February, 2011. He is B.Sc. (Honours in Chemistry), B.Tech (Chemical Engg), M.Tech (Chemical Engg), PGDBM and Ph.D.

Shri Mukhopadhyay retired as Chief General Manager and Country Head (Administration & Premises) from IDBI BANK w.e.f.30-9-2009 after serving 30 years in the Institution in different Senior Executive Positions including holding positions as Head of Project Finance, Project Management and Project Monitoring Depts besides holding Independent charges of different branches/zones. Opened 200 new Bank Branches and 400 ATMs all over India from 2008 to 2009 as Country Head.

Shri Mukhopadhyay worked as Junior Engineer Trainee (JET) in SAIL (Durgapur Steel Plant) for 6 years w.e.f 1973 to 1979. He also worked as Management Trainee in M/S.Bird & Company for 1 year (1972-1973).

Shri Mukhopadhyay Provided faculty support to JNIDB Staff college (IDBI), Hyderabad, Bankers Training college RBI, Mumbai, University colleges of Science & Technology, Calcutta University, Business Management Dept of Guwahati University and Somaiya Institute of Management Mumbai.

Shri Mukhopadhyay Published article on the role of IDBI towards industrialization in the magazine of Financial Express.

Shri Mukhopadhyay was Ex Directors on the boards of J.K.Tyres & Industries Ltd, BPL Mobile Communications Ltd., Hindustan Sanitary Wares Ltd, IFB Industries Ltd, Alok Industries Ltd, Visuvious Industries Ltd, Manor Floatel Ltd, Uniworth Ltd and State Industrial Development Corporations of Sikkim, Bihar, Rajasthan, Assam and West Bengal etc on behalf of IDBI. He was sent on deputation to Small Industries Development Bank of India (SIDBI) in 1990-91.

Shri Mukhopadhyay joined as Senior Vice President (Admn, Finance & Real Estate Development) in CyberTech Systems & Software Ltd at Thane(W) w.e.f 17th June, 2010. Holding charge of Whole Time Director from March, 2011 to October, 2013

Shri Mukhopadhyay was sent for Specialised Training, Completed 3 tier Management Development Programme at IIM, Ahmedabad. Visited Nepal, Singapore, South Korea, Japan and New York, USA on official assignments from IDBI.

Shri Mukhopadhyay is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act 1956. Under the Companies Act, 2013, it is required that independent directors not be liable to retire by rotation and be appointed for a fixed term. In terms of section 149, 150 and 152 and other applicable provisions of the Companies Act, 2013, Shri Mukhopadhyay being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a period of five consecutive years from the date of this Annual General Meeting. A notice has been received from

a member proposing Shri Mukhopadhyay as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Mukhopadhyay fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Mukhopadhyay as an Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Shri Mukhopadhyay as an Independent Director, for the approval by the shareholders of the Company.

The details of the Directorship and/or Membership/Chairmanship of Committees of the Board of Shri Tapan Kumar Mukhopadhyay (except Private Companies) as on March 31, 2014 are as follows:

S. No.	Name of the Company	Committee Positions held (excluding in Company)	
		Audit Committee	Stakeholders Relationship Committee
NIL			

Shri Mukhopadhyay does not hold any shares in the Company.

Except Shri Mukhopadhyay, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 8

Shri S.N.Modani was reappointed as Managing Director of the company for a period of five years w.e.f. 1st October, 2009 on the remuneration including perquisites set out in the resolution passed at the 23rd Annual General Meeting of the company held on 30th September, 2009.

The Board of Directors of the company has resolved in its meeting held on 31st July, 2014 to re-appoint Shri S.N.Modani as Managing Director of the company for a period of five years effective from 1st October, 2014 on the revised terms and conditions which are set out in the draft agreement. By the proposed resolution, approval of the shareholders is sought to the re-appointment/remuneration of Shri S.N.Modani as the Managing Director of the company.

Brief resume of Shri Modani, nature of his expertise in specific functional areas and names of companies in which he hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, which is forming part of the Notice, as under:

Shri Modani born on 28th September 1963, is a B.Sc., (Chem.), MBA & Post-Graduate Diploma in Cement Technology and has extensive working experience of about 25 years in Textile Industry. He served Mangalam Cement Ltd., during the year 1986 to 1989.

He is also Trustee of Shri Badri Lal Soni Charitable Trust, established with a view to provide Technical and Management education to the youths of the Region and is running an University, namely, Sangam University. The Trust also runs Sangam School of Excellence, an CBSE and IB School with world class education infrastructure.

He is also Trustee of Smt. Kesarbai Soni Charitable Trust. The trust runs a 100 bedded facility Hospital namely Smt. Kesarbai Soni Hospital.

During 25 years of tenure of Shri Modani at Sangam India, he has served as Project Head, Plant Head and Business Head & CEO, under his leadership the company has grown leaps and bounds. Shri Modani would be responsible for the overall business operations and affairs of the Company.

Presently Shri Modani is not a Director in any other Company. He holds 99779 equity shares in the Company. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Modani as Managing Director & CEO.

This Explanatory Statement together with the accompanying Notice may also be regarded as an abstract and memorandum under Section 302 of the Companies Act, 1956 and as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges. The remuneration payable to Shri Modani, as approved and recommended by the Nomination & Remuneration Committee (previously Remuneration Committee) of the Directors of the Company in pursuance to the Schedule V of the Companies Act, 2013 (corresponding to the Schedule XIII of the Companies Act, 1956) is as under:

1. SALARY PER MONTH

Basic Salary of ₹5,00,000/- per month with an annual increase of 10% of Salary thereafter.

2. COMMISSION:

Not more than 1% of the net profits of the company as computed in the manner laid down in Section 197 of the Companies Act, 2013.

3. PERQUISITES AS MENTIONED BELOW

- a. Suitable residential accommodation, free of cost with all facilities, amenities and services (including gas, electricity, water and furnishing). In case he does not opt for company provided accommodation at any time, he shall be paid house rent allowance of a sum not exceeding 20% of his basic salary. The expenditure incurred by the company on gas, electricity, water and furnishings provided to him shall be evaluated as per the Income-tax Rules, 1962.
- b. Reimbursement of all medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalization.
- c. Personal accident insurance premium.
- d. Subscription to clubs.
- e. Encashment of leave at the end of his tenure as per policy of the Company.
- f. Contribution to provided fund, superannuation fund or annuity fund and any other retirement benefits.
- g. Gratuity payable should not exceed half month's salary of each completed year of the service.
- h. Leave travel concession for self and family once in a year any where, as per company's policy.
- i. Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Shri S.N.Modani.

NOTES

For the purpose of perquisites stated herein above, family means the spouse, the dependents children and the dependent parents of the appointee.

MINIMUM REMUNERATION

Wherein any financial year, the company has no profits or its profits are inadequate, the company may pay Shri S.N.Modani, remuneration by way of salary, perquisites and other allowances as permissible under Schedule V of the Companies Act, 2013.

SCOPE OF RESPONSIBILITY

Shri S.N.Modani, Managing Director has been entrusted with substantial powers of Managing the affairs of the company and to supervise and administer overall working of the company.

MEMORANDUM OF INTEREST OF DIRECTORS

Shri S.N.Modani and Shri R.P.Soni may be deemed to be concerned or interested in the said resolution. Shri S.N. Modani is son in law of Shri R.P. Soni, Director of the company.

None of the other Directors and key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out at Item No. 8.

The foregoing may be treated as an abstract of the draft agreement for the re-appointment of Shri S.N. Modani as Managing Director as required under section 190 of the companies Act, 2013.

This Explanatory Statement alongwith Notice may also be regarded as a disclosure under Schedule V of the Companies Act, 2013 and clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 9

Shri V.K.Sodani was re-appointed as Executive Director of the Company for a period of five years w.e.f. 1st October, 2012 on the remuneration including perquisites set out in the resolution passed at the 26th Annual General Meeting of the Company held on 28th September, 2012 as amended in the Annual General Meeting held on 30th September, 2013.

Taking into consideration the increased business activities of the Company and the responsibilities cast on Shri V.K.Sodani and subject to necessary approval by the Members in the General Meeting and on recommendation of Nomination and Remuneration Committee in its meeting held on 31st July, 2014, the Board of Directors on 31st July, 2014 revised/amended the following terms in the remuneration terms of Shri V.K.Sodani as Executive Director w.e.f. financial year 2014-15 :

PERQUISITES AS MENTIONED BELOW

- a. Suitable residential accommodation, free of cost with all facilities, amenities and services (including gas, electricity, water and furnishing). In case he does not opt for company provided accommodation at any time, he shall be paid house rent allowance of a sum not exceeding 25% of his basic salary. The expenditure incurred by the company on gas, electricity, water and furnishings provided to him shall be evaluated as per the Income-tax Rules, 1962.
- b. Reimbursement of all medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalization.
- c. Personal accident insurance premium.
- d. Subscription to clubs.
- e. Encashment of leave at the end of his tenure as per policy of the Company.
- f. Contribution to provided fund, superannuation fund or annuity fund and any other retirement benefits.
- g. Gratuity payable should not exceed half month's salary of each completed year of the service.
- h. Leave travel concession for self and family once in a year anywhere, as per company's policy.
- i. Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Shri V.K.Sodani.

All other existing terms and conditions relating to the appointment of Shri V.K.Sodani as approved by the members of the company will remain unchanged.

Brief resume of Shri Sodani, nature of his expertise in specific functional areas and names of companies in which he hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, which is forming part of the Notice, as under :

Shri Sodani born on 15th November, 1970, is a B.Com graduate and a Chartered Accountant. He has extensive working experience of more than 16 years in Textile Industry in the weaving, processing and garment segment.

Apart from his professional expertise, he has been the President of Mewar Chamber of Commerce & Industry. Member of All India Maheshwari Mahasabha, He is also Trustee of Smt. Kesarbai Soni Charitable Trust. The trust runs a 100 bedded facility Hospital namely Smt. Kesarbai Soni Hospital and Member of Pushkar Seva Sadan, Pushkar.

During 16 years of tenure of Shri Sodani at Sangam, has served as Project Head, Plant Head and Business Head of Weaving & Processing Division of Sangam. Shri Sodani would be responsible for the overall business operations and affairs of its Weaving & Processing Division of Sangam.

The details of the Directorship and/or Membership/ Chairmanship of Committees of the Board of Shri V.K.Sodani (except Private Companies) as on 31st March, 2014 are as follows :

S. No.	Name of the Company	Committee Positions held (excluding in Company)	
		Audit Committee	Stakeholders Relationship Committee
1	Suchitra Finance & Trading Co. Ltd.	Member	Member
	Sangam Infratech Ltd.	-	-

Shri V.K.Sodani does not hold any shares in the Company.

In compliance with the provisions of Section 197 and all other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V of the Act, the revised terms of remuneration of Shri V.K.Sodani as specified above are now being placed before the members for their approval.

MEMORANDUM OF INTEREST OF DIRECTORS

Shri V.K.Sodani and Shri R.P.Soni may be deemed to be concerned or interested in the said resolution. Shri V.K.Sodani is son in law of Shri R.P. Soni, Director of the company.

None of the other Directors and key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out at Item No. 9.

This Explanatory Statement alongwith Notice may also be regarded as a disclosure under Schedule V of the Companies Act, 2013 and clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 10 & 11

The Members had, in the Annual General Meeting held on 30th September, 2006 passed an Ordinary Resolution and accorded their approval to the Board of Directors for borrowings upto ₹1200 (Rupees One Thousand Two Hundred) crores, as also for creation of charges on Company's assets as required under Section 293(1)(d) and 293(1)(a) respectively of the Companies Act, 1956.

On implementation of the Companies Act 2013, Section 180 (corresponding to section 293 of old Act) was made effective from September 12, 2013, which provide for approval by the Shareholders by way of Special Resolution as against Ordinary Resolution under the Companies Act, 1956. As such, it is thought necessary to comply the provisions of Companies Act, 2013 by obtaining fresh approval of the Members by means of Special Resolution as envisaged under section 180(1)(c) and Section 180(1)(a) of the Companies Act 2013, to enable the Board of Directors of the Company to: a) borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital and free reserves of the Company; and b) create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the Banks/Financial Institutions or other lending agencies.

Hence, the Members' approval is being sought pursuant to Section 180 of the Companies Act 2013 by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out at Item No. 10 & 11.

Item No. 12

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s K.G. Goyal & Co, Cost Accountants, Jaipur (Firm Registration No. 000017) and M/s V.K. Goyal & Co., Cost Accountants, Bhilwara (Firm Registration No. 100233), as Cost Auditors of the Company to conduct the audit of cost records of the Company's various units respectively as mentioned in the resolution set out at Item No. 12 of the Notice, for the financial year 2014-15, at a fee of ₹80,000/- to M/s K.G. Goyal & Co and ₹30,000/- to M/s V.K. Goyal & Co. subject to TDS, Service Tax etc., as applicable, apart from out of pocket expenses, as remuneration for cost audit services for the financial year 2014-15, subject to the applicability of Cost Audit on the Company in terms of rules framed in this regard by the Ministry of Corporate Affairs.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors have to be ratified by the shareholders of the Company.

Hence, the Members' approval is being sought by way of Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out at Item No. 12.

By Order of the Board of Directors

(ANIL JAIN)

Jt. President (Finance) & Company Secretary

Date: 31st July, 2014

Place: Bhilwara

SANGAM (INDIA) LIMITED
(CIN:L17118RJ1984PLC003173)

Registered Office: Atun, Chittorgarh Road, Bhilwara - 311 001 (Rajasthan)

Ph.: +91 1482 304000, 304188, Fax: +91 1482 304120, website: www.sangamgroup.com

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on September 22, 2014 and ends on September 24, 2014. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date August 29, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

FOR MEMBERS HOLDING SHARES IN DEMAT FORM AND PHYSICAL FORM

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio/client id number in the PAN field.• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none">• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant "Sangam (India) Limited" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

**Sangam (India) Limited**

(CIN:L17118RJ1984PLC003173)

Registered Office: Atun, Chittorgarh Road, Bhilwara - 311 001 (Rajashtan)

Ph.: +91 1482 304000, 304188, Fax: +91 1482 304120, email : secretarial@sangamgroup.com, website: www.sangamgroup.com

ATTENDANCE SLIP

Name of Shareholders			
Address			
Email-id			
Folio No./Client ID		DP ID	

I hereby record my presence at the 28th Annual General Meeting of the Company held on Tuesday, the 30th September 2014 at 4:00 PM. at "The Plam", Mangrop Road, Harni Kalan, Bhilwara-311001 (Rajashtan)

.....
Signature of Shareholder/Proxy's

NOTE: Please bring this Attendance Slip to the Meeting and Hand Over at The Entrance Duly Filled in.

**Sangam (India) Limited**

(CIN:L17118RJ1984PLC003173)

Registered Office: Atun, Chittorgarh Road, Bhilwara - 311 001 (Rajashtan)

Ph.: +91 1482 304000, 304188, Fax: +91 1482 304120, email : secretarial@sangamgroup.com, website: www.sangamgroup.com

PROXY FORM

Name of Shareholders			
Address			
Email-id			
Folio No./Client ID		DP ID	

I / We being the member(s) of shares of the above named Company hereby appoint:

- Name..... Address.....
E-mail Id..... Signature or failing him.....
- Name..... Address.....
E-mail Id..... Signature or failing him.....
- Name..... Address.....
E-mail Id..... Signature or failing him.....

as my/ our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 28th Annual General Meeting of the Company to be held at "The Plam", Mangrop Road, Harni Kalan, Bhilwara-311001 (Rajashtan) on Tuesday, the 30th September, 2014 at 4:00 PM and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	* Optional	
Ordinary Business		For	Against
1	Adoption of Financial Statements for the year ended 31st March, 2014		
2	Approval of dividend for the financial year 2013-14		
3	Re-appointment of Shri R.P.Soni, who retires by rotation		
4	Appointment of statutory auditors and fixing their remuneration		
Special Business			
5	Appointment of Shri Achintya Karati as an Independent Director		
6	Appointment of Shri Ramawatar Jaju as an Independent Director		
7	Appointment of Shri Tapan Kumar Mukhopadhyay as an Independent Director		
8	Re-appointment of Shri S.N.Modani as Managing Director		
9	For approval of revision in terms of remuneration of Shri V.K.Sodani, Executive Director		
10	Approval for borrowing limits under section 180(1)(c) of the Companies Act, 2013		
11	Approval for creation of charge/mortgage under section 180(1)(a) of the Companies Act, 2013		
12	Approval of the Remuneration of Cost Auditors		