

TRANSFORMING the *future*



Value through values

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.

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Value through values

“ Transformation
literally means
going beyond
your form.”

- **Wayne Dyer**

30th ANNUAL REPORT 2015-16

TRANSF

IN A WORLD, WHICH SELDOM REMAINS THE SAME, IT IS ALWAYS PRUDENT TO KEEP EVOLVING. EVER SINCE OUR INCEPTION, WE AT SANGAM HAVE BELIEVED IN AIMING FOR NEWER CHALLENGES AND NEVER SETTLING FOR STATUS QUO. OUR ABILITY TO STAY AHEAD OF THE CURVE ENABLED US NOT ONLY TO RETAIN OUR LEADERSHIP IN EXISTING SEGMENTS OF PRESENCE BUT MORE IMPORTANTLY, HELPED US GROW AT A FASTER RATE IN NEWER SEGMENTS WE FORAYED INTO.

FORMING the future

*F*ast growing fashion brand with presence across high quality affordable products such as suiting, denims and woman's active wear

10 FACTS YOU NEED TO KNOW ABOUT US!

1 31 YEARS IN THE INDUSTRY -
ESTABLISHED IN 1985

2 FLAGSHIP COMPANY OF SANGAM
GROUP - A ₹ 5,000 CRORE+ BUSINESS
CONGLOMERATE WITH DIVERSE BUSINESS
INTERESTS ACROSS TEXTILES, STEEL, REAL
ESTATE, POWER AND ENERGY SECTORS

3 REGISTERED OFFICE IN BHILWARA,
RAJASTHAN AND PRINCIPAL & HEAD
OFFICE IN MUMBAI, MAHARASHTRA

4 MR. RP SONI, CHAIRMAN & FIRST
GENERATION ENTREPRENEUR, LEADS THE
GROUP AS WELL AS THE COMPANY

5 AMONG THE LEADING PLAYERS
IN INDIAN TEXTILES SECTOR WITH
PRESENCE ACROSS THE VALUE
CHAIN - FROM DENIER TO DRESS TO
DELIVERY

6 AMONGST THE MARKET LEADERS
IN PV DYED YARN

7 FAST GROWING PLAYER IN THE
DENIM AND SEAMLESS GARMENT
SEGMENTS

8 7,000+ EMPLOYEES

9 ROBUST MARKETING
NETWORK COMPRISING MORE
THAN 100 DEALERS AND 1000
RETAILERS ACROSS INDIA

10 LISTED ON THE NATIONAL STOCK
EXCHANGE (SCRIP CODE - SANGAMIND)
AND THE BOMBAY STOCK EXCHANGE
(SCRIP CODE - 514234).

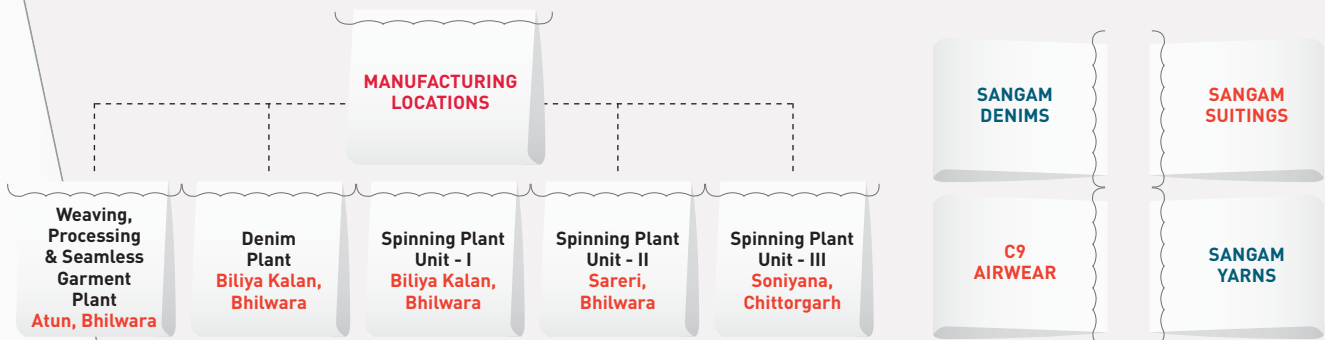


PRESENCE ACROSS THE PRODUCT VALUE CHAIN

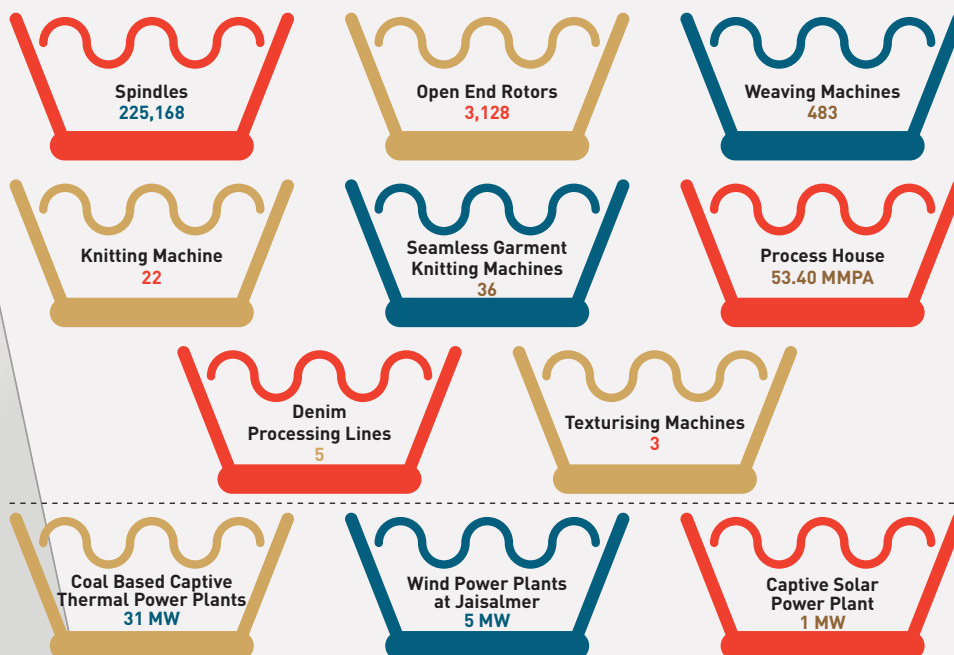


ECOMMERCE PORTAL - www.c9fashion.com

OWN BRANDS



CAPACITIES



2015-16 WAS AN EXCITING YEAR!

IT WAS A YEAR OF STRENGTHENING OUR FOUNDATIONS

SET UPON EXPANSION OF CAPACITIES:

UNDERTOOK EXPANSION PROJECT OF ₹198 CRORE; COMPLETED FIRST PHASE; COMPLETION OF ENTIRE PROJECT BY NOVEMBER 2016

IMPROVED EFFICIENCIES ACROSS PROCESSES:

SPENDING ON CAPEX PLAN OF ₹18.00 CRORE ON MODERNISATION, BALANCING EQUIPMENT AND DEBOTTLENECKING OF ALL UNITS

SYNERGIES ACROSS FACILITIES

WITH GREATER FLEXIBILITY AND CUSTOMISATION OF PRODUCTS

IMPROVED BRAND VISIBILITY:

REBRANDED THE ECOMMERCE PORTAL TO www.c9fashion.com; EXPANDED PRODUCT PORTFOLIO TO BETTER TARGET CUSTOMERS; DUAL STRATEGY INCLUSIVE OF OPENING EXCLUSIVE BRAND OUTLETS

TOTAL YARN PRODUCTION INCREASED

BY 8.56 PER CENT TO 67662 TONNES IN 2015-16, FROM 62329 TONNES IN 2014-15

TOTAL FABRICS PRODUCTION INCREASED

BY 5.00 PER CENT TO 43.64 MN METRES IN 2015-16, AS AGAINST 41.56 MN METRES IN 2014-15

TOTAL EXPORTS INCREASED

FROM ₹ 330.27 CRORE IN 2014-15 TO ₹ 406.63 CRORE IN 2015-16

REGISTERED A SALES OF SEAMLESS GARMENT

OF ₹12.84 CRORE IN THE FIRST YEAR OF ITS INCEPTION

A PROMISING FUTURE

is often built on credible past

Net revenues of ₹ 1504 crore in 2015-16 vs. ₹ 1469 crore in 2014-15

EBIDTA ₹ 233 crore in 2015-16 vs. ₹ 217 crore in 2014-15

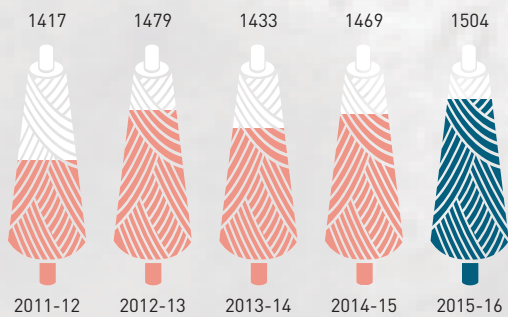
Net profit ₹ 77 crore in 2015-16 vs. ₹ 52 crore in 2014-15

Registered an EBIDTA margin of 15.5% and Net profit margin of 5.1% in 2015-16

Debt equity ratio of 0.79 as on 31st March 2016 as against 0.91 as on 31st March 2015

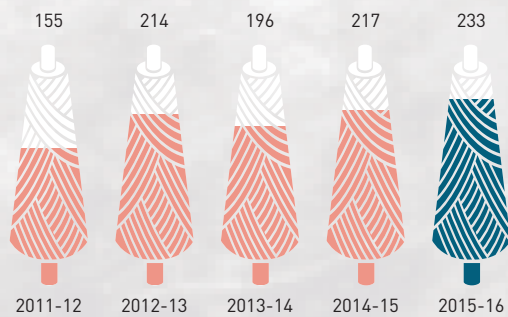
(₹ in crore)

NET TURNOVER



(₹ in crore)

EBIDTA



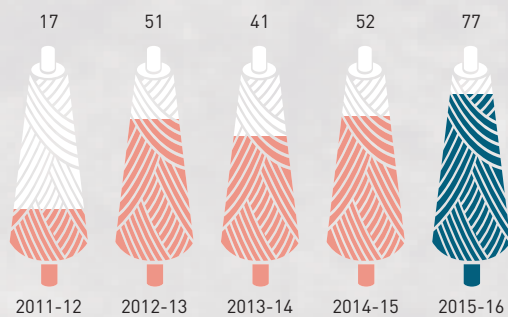
(₹ in crore)

CASH PROFIT



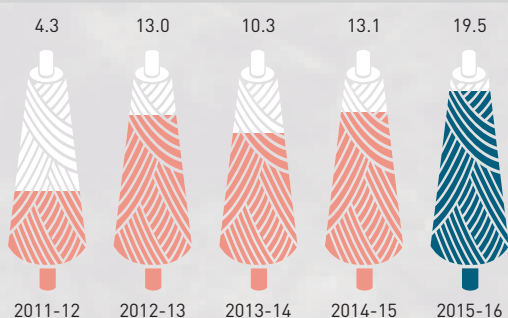
(₹ in crore)

NET PROFIT



(₹)

EARNING PER SHARE



PRODUCT-WISE REVENUES

2015-16 –

Yarn – 55% and PV Fabric – 22%; Denim – 21%; others – 2%

2014-15 –

Yarn – 57% and PV Fabric – 18%; Denim – 19%; others – 6%

GEOGRAPHY-WISE REVENUES

2015-16 –

Domestic – 74% and export sales – 26%

2014-15 –

Domestic – 78% and export sales – 22%

R. P. Soni
Chairman



SINCERE PERFORMANCE NEVER GOES OUT OF FASHION!

Dear Shareholders,

The Indian growth story seems to be returning back on track. 2015-16 was a tough year, but the consistent push from government for reforms coupled with conservative monetary policy and revival in the spends for infrastructure creation set the ball rolling again. The oil prices too have played a significant role and so did the well-communicated government's intent to revive the Indian consumption story through controlling inflation and taking non-populous policy level decisions.



We completed installation of 13,296 spindles, 46 Nos. Weaving Machines and One Indigo Denim Fabric Processing Line



Indian GDP in March 2016 is expected to have grown at 7.6% - which makes it world's growing economy. The government's three key bills - GST, Land Reforms & Bankruptcy Law are already being touted as game-changers. I am hopeful that the enthusiasm will translate into ground realities and will offer a boost in the arm for our entrepreneurs as country's demographic dividend. Further, the year's monsoon is expected to be much better than the past two years', thereby expected to reinvigorate rural India's spending and consumption. So to put all in perspective, it is easy to say - we live in exciting times!

At Sangam, we have always believed that while the times may be good or bad; there is no substitute to persistence. So we continued to persist by doing what we do best - Learning, Unlearning and Relearning. We continued to look inward - identify bottlenecks, focus on improving our product quality, think beyond established strategies to improve customer experience and widening the product profile. Allow me to elaborate two such key initiatives taken during 2015-16.

One of the biggest initiatives we took during the year under review was to improve visibility of our online venture - C9 Fashion. Previously named Channel Nine, we rebranded the identity to C9 and at the same time, consistently made improvements to access platforms - by extending from online to offline distribution too. We cautiously and judiciously promoted C9 using high impact low cost channels - thereby using the existing distribution synergies and presence to amplify the value proposition among the target audiences. We believe C9 is still at the very nascent stage and we will shape it into a well respected women active wear destination.

The second notable initiative taken by us in 2015-16 was initiation of our capacity expansion program. The company is investing ₹198 crore in the capacity expansion for installation of 26,736 Spindles at new site Soniyana, Chittorgarh, 74 Weaving Machines at existing site Atun, Bhilwara and One indigo Denim Fabric Processing Line at the existing site Biliya Kalan, Bhilwara. As on March 31, 2016, we completed installation of 13,296 spindles, 46 Nos. Weaving Machines and One Indigo Denim Fabric Processing Line. The remaining installations under the expansion initiative would be completed by November 2016.

Our denim vertical continues to perform well on account of wide range, innovative finishes and value for money product for men and women. The revenues from denim segment today comprises of 21%, largely owing to wide and deep distribution strategy for the product coupled with superior value for money, to attract the customers. Similarly, we continued to improve our suitings division too.

Besides strengthening our product portfolios, we continued to focus on limiting the controllable costs, thereby emerging as a high efficiency and affordable player in all our segments of presence. At the same time, to expand to quality conscious segments like seamless garments, thereby improving our realizations. The results also kind of reflect this impact. In 2015-16, we registered a 2.4% increase in net revenues, from ₹1468.66 crore in 2014-15 to ₹1504.40 crore in 2015-16. Despite the topline growth, the company reported a net profit of ₹77.04 crore - an increase of 49.4% against ₹51.57 crore in 2014-15. The EBITDA of the company also improved by 7.3% to ₹233.34 crore in 2015-16 against ₹ 217.39 crore in 2014-15.

It took us 31 years to reach where we are today. The quest for perfection knows no finality. We are much more informed, experienced and resourceful today, than we were 3 decades ago. The nation is much more promising and driven to reach newer heights, more than ever. We are too ready... to transform our future. I would like to thank our investors, our employees and communities. I would like to thank our woman patrons for making our brand C9 among the leading active wear brands in the country. We cherish your continued support and I assure you we will let our clothes do the talking - like always.

Thank you.

R. P. Soni, Chairman

the future is about
**OFFERING
CHOICE**



JOG. WALK. YOGA?
LOUNGE. GYM. HOME?
BLUE. GREEN, RED?
COTTON. POLY VISCOSE. LYCRA?



THE INDIAN WOMAN IS DYNAMIC AND DEMANDING. SHE DEMANDS CHOICE.

And we at Sangam are proud to offer exactly that. So when we forayed into a new segment of active wear, we chose to listen, carefully. Given the various roles the new Indian women handle with elan, it was not a choice to us but to offer them the very best in terms of materials, design and tailoring. We kept outsourcing to the bare minimum and that too limited to non-critical processes.

Our product profile offers a wide choice of fits and colours and finishes – carefully aligned to the inherent need of the targeted segments. While the world-class processes improve usability and longevity of the garments; a world class team of designers and stylists at C9 brand ensure latest range of products including intimate wear, shape wear, medical wear, active wear, casual wear and nightwear.



the future is about BEING ACCESSIBLE



INDIA IS A LAND OF DIVERSITY. WHILE ON ONE HAND, INDIA HAS THE LARGEST POPULATION OF MILLENNIAL (THOSE BORN AFTER 1990) WHO ARE OFTEN TERMED AS DIGITAL CONSUMERS; AT THE SAME TIME GIVEN ITS LARGE SEMI URBAN POPULATION, THE COUNTRY ALSO HAS A HEALTHY CHUNK OF CONSUMERS WHO ARE MORE COMFORTABLE SHOPPING IN THEIR TRUSTED STORES. To keep a balance between this diversity is paramount to the success of any consumer facing business. As a result, we have always focused on improving accessibility for our products across our markets of presence thereby gaining valuable brand loyalty from both sets of customers.

We have established footprints across key markets including Turkey, Portugal, Egypt, China, Poland, Brazil, Belgium, Chile, Italy, Australia, Japan, USA UAE etc. through exports presence. In our own country, we have longstanding relationships 100+ dealers and 1000+ retailers – giving us access to nearly every Indian town/ city. In our digital led C9 Fashion, we have complemented online portal based shopping experience with the trusted offline distribution and sales strategy through exclusive brand outlets and multi brand outlets. This doesn't only enable us to tap real time feedback from our new customers online; but also helps us get valuable insights from our long term distribution partners – both of which is further used to improve the product portfolio.



ONLINE. OFFLINE?
RETAIL. WHOLESALE?
INDIA. ABROAD?



the future is about
BEING
PROFITABLE



INTEGRATE. DIVERSIFY?

CAPACITY. PRODUCT?

COST CONTROL. VALUE ADDITION?



RESTING ON PAST LAURELS NEVER TAKES ONE AHEAD.

At Sangam we have always focused on the next frontier. We understood that financial profitability is a subset of superior products, loyal customer base, consistent updation and quality. Towards this we have consistently endeavoured across our units. While we have always expanded our product footprints from blended fabrics to yarn (PV/Cotton) to denim to suitings to active wear; expanding our customer base in the process. Our obsession with maintaining quality has made us a preferred partner to the marquee players in the garments supply chain, over the years. Our sustained investments in capacity coupled with a strict culture of cost control has enabled us remain a competitive player.

In the process we have not only survived in highly competitive market places but thrived in terms of market share. Like the future that comes one day at a time, our expertise has been developed one over time. Our belief in never taking success as final has helped us instil a culture of product innovation – be it the unique processes or wide range of blended denims or a whole arena of product variations in a traditionally dormant industry subset of yarns. We believe profit is not necessarily financial at all times, therefore a credible consumer feedback apparatus closely knitted with our marketing and distribution function helps us to decipher the numbers and beyond.



the future is about PERSISTENT REINVENTION

THE LAW OF EVOLUTION NECESSITATES LOSS OF FORM.
ONLY WHEN THE OLD PAVES WAY FOR THE NEW, DOES THE
TRANSFORMATION TAKES PLACE.

At Sangam, we have always believed in staying ahead of the curve, even if that means a temporary cost of adjustment. We have always used the weaker times to prepare ground for the uptide. This has not only helped us execute our expansion plans with speed but also has led to efficient project cost. In 2011 slowdown we increased our capacity in denims and that started paying off 2014 onwards, when the blip in upward demand was evident. At the same time, in 2014-15, which was another lean period, we set our eyes on expanding into seamless garments.

Our business transition from fabric to yarn to denim to seamless garments is not a traditional one, albeit effective nonetheless. For we have seldom considered good times or bad to impact our decisions on action. This quality stems from our inherent belief that any act of diligence and persistence hardly goes unrewarded. As we speak, the demand is witnessing an upswing for textiles products. Good monsoons augurs well for the Indian consumption story. However, we continue to invest into capacity expansion as well as improving efficiencies persistently. The focus is not in fitting in but to offer the perfect fit. On hindsight, we have completed our presence across the value chain of denier to dress to delivery.





**CORE IDENTITY.
VALUE CREATION?**

**CORPORATE GOALS.
INDUSTRY NARRATIVE?**

FIT IN. STAND OUT?



the future is about BEING RESPONSIBLE

TO WALK THE FINE LINE BETWEEN HELPING AND EMPOWERING.

At Sangam we have always believed in empowering our stakeholders. As they say charity begins at home, so employees are offered an open-door, merit led, knowledge based work environment. No wonder most of the senior leaders in the company have been associated with the company since their youth and have been honed across various roles within the organisation. Our belief in corporate social responsibility deeply stems from our uncompromising urge to offer a better environment to our employees and their families. In the process, we have also ensured a better quality of life in the communities in and around us through sustained investments in education, healthcare and environment.





**COMMUNITY. SHAREHOLDERS?
HELP. EMPOWER?
SOCIAL. FINANCIAL?**

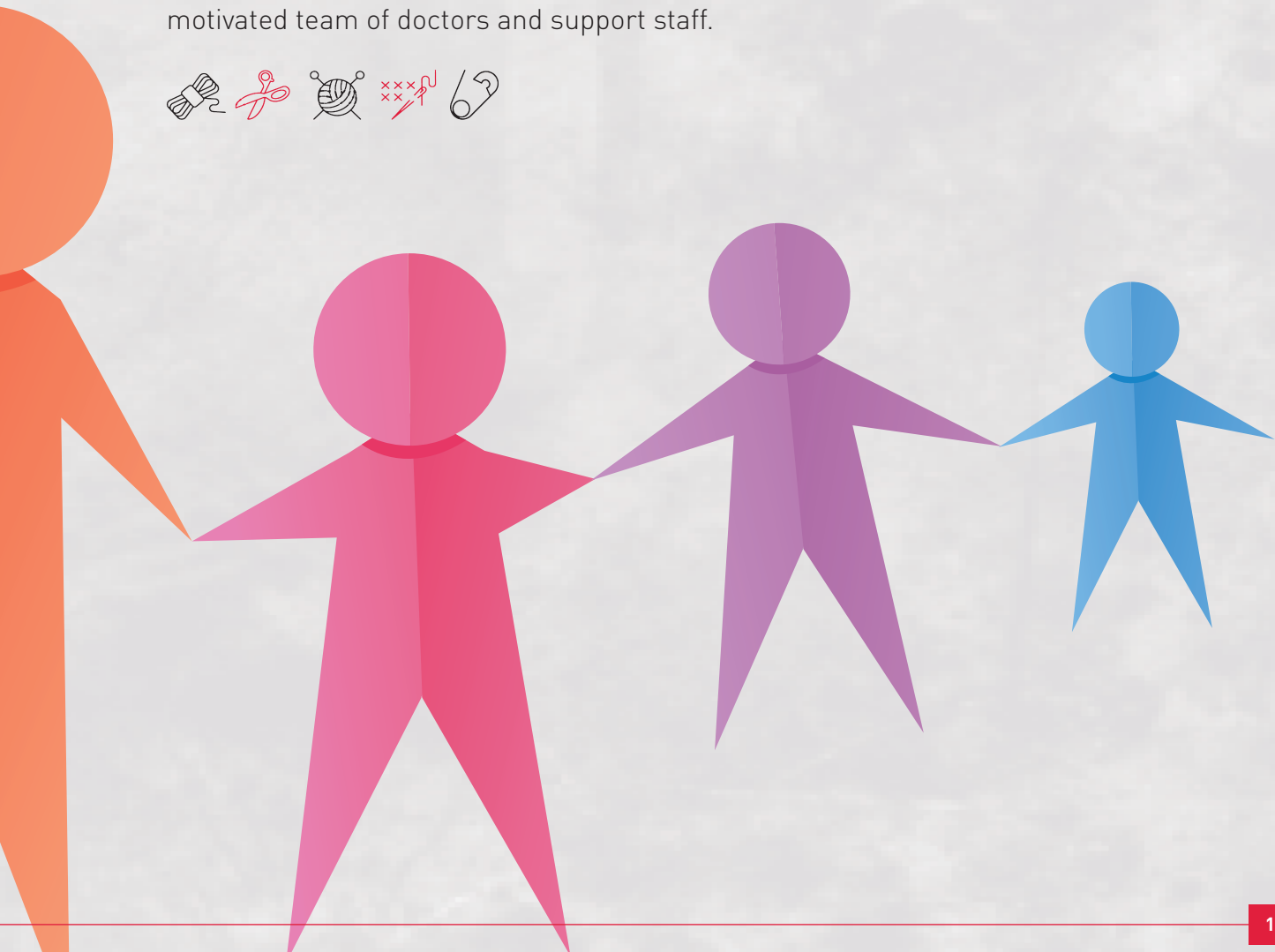
Marquee initiatives:

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)
- Sangam University in Bhilwara, Rajasthan, recognised by UGC under the UGC Act, known for its Engineering, Management, Graduate and Post Graduate Programmes.

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.



Board of DIRECTORS



R. P. SONI
Chairman



S. N. MODANI
CEO &
Managing Director



V. K. SODANI
Executive Director



**ACHINTYA
KARATI**
Independent
Director



**RAMAWATAR
JAJU**
Independent
Director



**T. K.
MUKHOPADHYAY**
Independent
Director



**SEEMA
SRIVASTAVA**
Independent
Director

MANAGEMENT Team



**ANURAG
SONI**

Chief Business Strategist



**PRANAL
MODANI**

Chief, Business Development



**ANIL
JAIN**

CFO & Company Secretary



**J. P.
AGARWAL**

President
(Spinning Unit-I)



**S. K.
PANDEY**

President
(Works - Spinning Unit-II)



**ANIL
SHARMA**

President
(Works - Processing)



**RAKESH
MOHAN JHA**

President (Denim)



**L. L.
SONI**

President
(Corporate Affairs)



**SRIKANT
VELU**

President
(Garment Marketing)



**S. K.
BAGHELA**

Jt. President
(Technical - Spinning Unit-I)



**SUNIL
RATHI**

Jt. President (Denim)



**LALIT
JAIN**

Jt. President (Accounts)



**P. R.
KHATOR**

Jt. President (Commercial)



**K. M.
RATHI**

Jt. President
(Commercial - Spinning Unit-II)



**M. BHANU
PRATAP**

Jt. President
(Thermal Power Plant)



**DEEPAK
BHATNAGAR**

Jt. President
(HR Head - Group)

Management Discussion & Analysis

GLOBAL ECONOMY OVERVIEW

The world economy continued its descend in calendar year 2015. Global economic growth rates continued to decelerate, triggered by slowing growth in emerging and developing markets as they contribute to about 70% of the global growth. Global GDP fell to 2.3% in the last quarter of the calendar year 2015, below the threshold of 2.5%, which indicates recessionary trends thereby prompting Morgan Stanley to commensurately raised their global recession risk probability from 20% to 30%.

The Chinese economy is being hampered by a slowdown in imports and exports and declining investments and manufacturing activity. This is causing a spill over effect on other economies linked with trade channels. Japan received the single-biggest downgrade for any country with GDP declining by half to just 0.6% in financial year 2016 as compared with 1.2% in FY2015. Moreover, oil prices have fallen dramatically, which has further widened the production-consumption gap. Lower oil prices have strained the financial position of oil exporters, impacted investments in oil and gas extraction and did not effect any substantial increase in consumption by oil importers, estimated to be so because of deleveraging and negligible pass-through of price reductions to consumers in developing economies. Unlike expected, consumers in advanced economies also failed to spend the windfall from reduced prices, opting to pay debt and save instead, further reducing consumption and affecting the economy.

INDIAN ECONOMY OVERVIEW




Indian economy was considered to be the beacon of hope in an otherwise gloom global economy. As per the advance estimates report dated 8th February 2016 of the Central Statistics Office (CSO), the growth in GDP during 2015-16 is estimated at 7.6% as compared with the growth rate of 7.2% in financial Year 2014-15. Manufacturing growth for 2015-16 is likely to be at 9.5%, much higher than the 5.5 % growth in financial Year 2014-15. The sectors that are likely to register growth rate of over 7% include financial, real estate and professional services, trade, hotels, transport, communication and services related to broadcasting and manufacturing. Notwithstanding weak monsoons, the agricultural sector grew by 1.1%, helped by strong growth in livestock. The growth in mining and quarrying is estimated to be 6.9 %.

India's GDP grew by an annual rate of 7.4% in the July- to-September quarter of 2015-16, putting it firmly ahead of China, where growth slowed to 6.9% during the same period. Declining oil prices have helped raise the GDP, as corporate margins increased, household purchasing power improved, tax collections increased and subsidy bills declined.

INDIAN ECONOMY IN 2015-16

GDP GROWTH	FOODGRAIN PRODUCTION (Mn tonnes)	INDUSTRIAL GROWTH (Base 04-05 = 100)	SERVICE SECTOR GROWTH
7.6%*	253.2*	3.1% (Apr.-Dec)	9.2%*
INFLATION		INDIA'S FOREIGN TRADE US\$ (%)	
CPI (Apr-Jan)	4.9%	Export (Apr-Jan)	-17.6%
WPI (Apr-Jan)	-2.8%	Imports (Apr-Jan)	-15.5%

FOREX RESERVES (US\$BN) as at end January 2016 - 349.6

TRENDS IN DEFICIT % of GDP#	RATE OF GROWTH PER CAPITA INCOME
FISCAL  3.9	Per Capita Income at current prices ₹.93,231*
REVENUE  2.8	Rate of Growth (NNI) (In real terms at 2011-12 prices)
PRIMARY  0.7	2015-16 6.2%*

*Advance Estimates

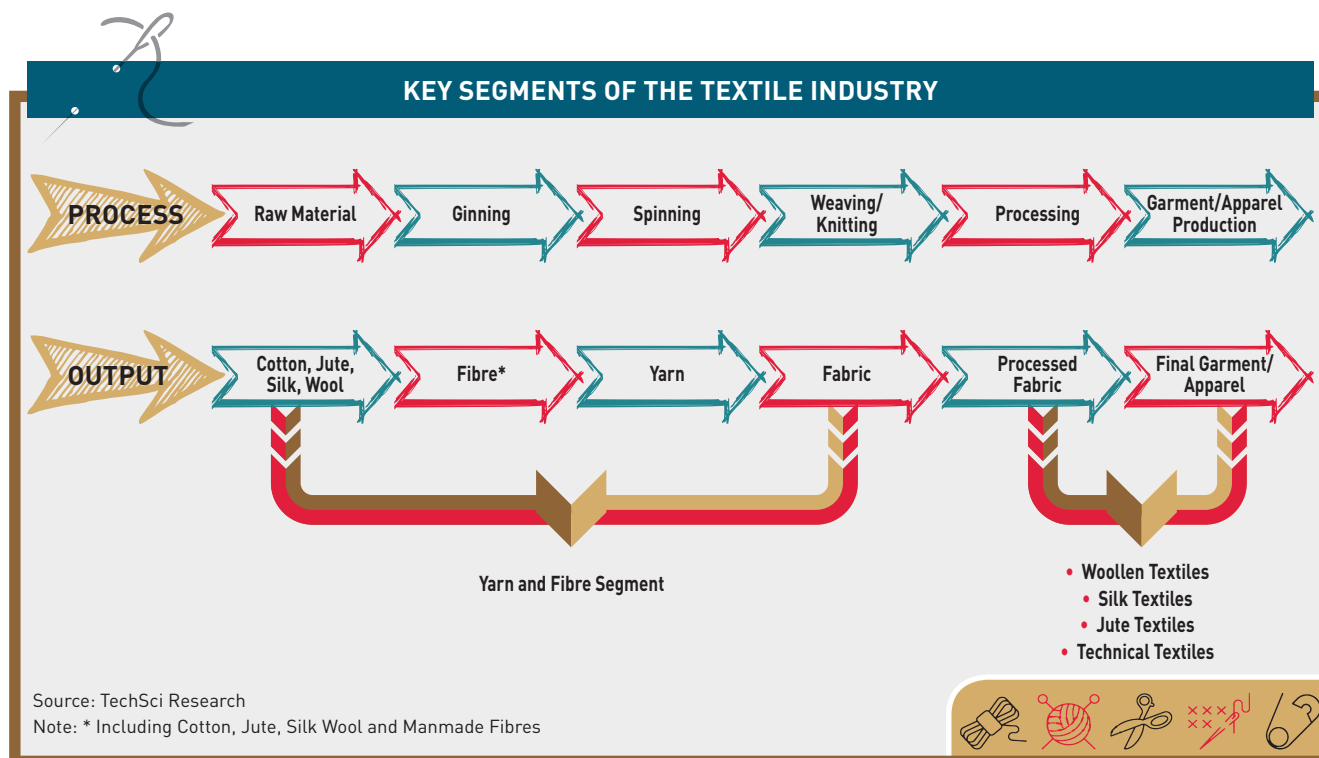
#Budget Estimates

Source : ECONOMIC SURVEY 2015-16

Outlook

India continues to remain a bright spot in the otherwise bleak global economic forecast of the International Monetary Fund (IMF). India will be the fastest growing major economy in 2016-17 growing at 7.5%, ahead of China, at a time when global growth is facing increasing downside risks, as per the World Economic outlook released by the IMF. As per IMF, India's growth will continue to be driven by private consumption, which has benefited from lower energy prices and higher real incomes.

The April 2016 World Economic outlook titled 'Too slow for too long' retained India's growth forecast while lowering global growth projections pointing out that volatility in financial markets and non-economic risks posed by migration and terrorism are increasing risks of a derailed recovery.



Global textiles and apparel market

Textile & Clothing nominal sales ceded ~4% in 2015 and were crippled by unusually low commodity prices (cotton -15%, wool -7%, and manmade fibers 1%) and multiple currency depreciations worldwide, particularly in emerging markets. As the latter produce about 80% of global output, poor economic prospects in Brazil and Russia and China's shift towards services will continue to weigh on the sector. Gross output would hence decrease by -1% in 2016.

However, the financial shape of T&C companies has improved between 2011 and 2015: net debt now represents only 53%

of equity. This 5 bpts improvement over the period must be taken with a grain of salt, as it is mostly attributable to fewer investments than to strengthening equity. As Capex is forecast to decrease by -1%, financial structures shouldn't deteriorate in 2016.

Looking forward, demand will be fuelled by population growth (+500mn inhabitants by 2020) and higher incomes that will substantially increase household purchasing power. GDP per capita is expected to keep rising, increasing by +4% annually between 2015 and 2020.

World textile & Clothing Exports Year to Date : January - March

Rank	Reporting Country	Million United States Dollars			% Change 2016/2015
		2014	2015	2016	
	WORLD	186,271	175,976	172,019	-2.25
1	China	56,458	57,944	54,873	-5.30
2	India	10944	9942	9482	-4.62
3	Bangladesh	8126	8244	8896	7.91
4	Germany	9508	7952	7969	0.22
5	Italy	9795	8002	7899	-1.29
6	Vietnam	5928	6590	6923	5.04
7	Turkey	7322	6207	6493	4.61
8	United States	7107	6635	5845	-11.90
9	Hong Kong	6609	6015	5202	-13.52
10	Spain	4219	3718	3953	6.33

Top 10 countries cover around 66% of Trade

Source: GTIS, Geneva

- World Export trade in T&C declined by (-) 2.25% from US \$ 175.97 Bn during Jan-Mar 2015 to US \$ 172.01 Bn during Jan-Mar 2016.
- Amongst the top ten markets, Bangladesh reported the highest growth of 7.91% followed by Spain reporting second highest growth rate of 6.33% during Jan-Mar 2016.
- India reported a decline of (-) 4.62% with exports falling from US\$ 9.94 Bn in Jan-Mar 2015 to US\$ 9.48 Bn in Jan-Mar 2016
- China being the largest exporter with US \$ 54.87 Bn showed an decline of (-) 5.30% followed by Italy with (-) 1.29%.

Indian textiles industry

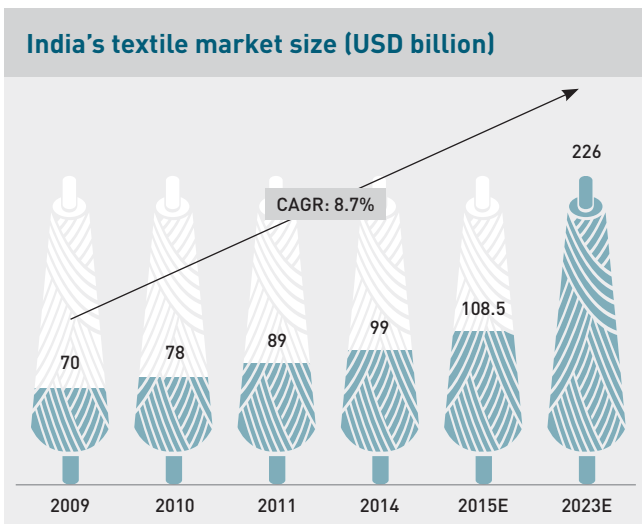
India’s textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India’s exports with approximately 11 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The industry realised export earnings worth US\$ 41.4 billion in 2014-15, a growth of 5.4 per cent[^]. The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale.

The textile industry employs about 40 million workers and 60 million indirectly. India’s overall textile exports during FY 2015-16 stood at US\$ 40 billion. The Indian textiles industry is extremely varied, with the hand-spun and hand woven textiles sectors at one end of the spectrum, while the capital-intensive sophisticated mills sector at the other end of the spectrum. The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

Market Size

The Indian textiles industry, currently estimated at around US\$ 108 billion, is expected to reach US\$ 223 billion by 2021. The industry is the second largest employer after agriculture, providing employment to over 40 million people directly and 60 million people indirectly. The Indian Textile Industry contributes approximately 5 per cent to India’s Gross Domestic Product (GDP), and 14 per cent to overall Index of Industrial Production (IIP).

The Indian textile industry has the potential to reach US\$ 500 billion in size#. The growth implies domestic sales to rise to US\$ 315 billion from currently US\$ 68 billion. At the same time, exports are implied to increase to US\$ 185 billion from approximately US\$ 41 billion currently.



Source: Technopak, Make in India, News articles, Ministry of Textiles, Techsci Research

Note: CAGR - Compound Annual Growth Rate, E-Estimated



ADVANTAGE INDIA

Market Value; USD108.5 billion

ROBUST DEMAND

- Increased penetration of organised retail, favourable demographics, and rising income levels to drive textile demand
- Growth in building and construction will continue to drive demand for non-clothing textiles

INCREASING INVESTMENTS

Huge investments are being made by Government under Scheme for Integrated Textile Parks (SITP)-(USD184.98 Million) and technology Upgradation Fund Scheme (TUFS)-(term loan sanctioned in Feb, 2015-USD2198.45 Million) to encourage more private equity and to train workforce

Market Value; USD226 billion

COMPETITIVE ADVANTAGE

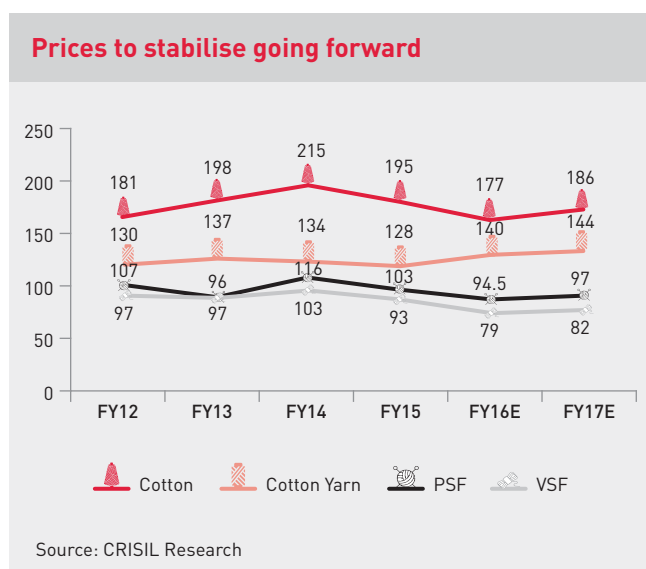
- Abundant availability of raw materials such as cotton, wool, silk and jute
- India enjoy a comparative advantage in terms of skilled manpower and in cost of production relative to major textile producers

POLICY SUPPORT

- 100 percent FDI (automatic route) is allowed in the Indian textile sector
- Under Union Budget 2015-16, government has allocated USD39.81 million for integrated parks in India
- Free trade with ASEAN countries and proposed agreement with European Union will boost exports

Source: PHD Chamber of Commerce; Federation of Indian Chambers of Commerce and Industry, TechSci Research
 Notes: SITP • Scheme for Integrated Textile Park; FDI • Foreign Direct Investment.
 ASEAN - Association of Southeast Asian Nations, E - Estimate; F - Forecasted

Traditionally Indian textile and apparel manufacturing industries have been cotton focused. Even today, cotton has more than a 60 per cent share compared to 40 per cent share globally. But this scenario is changing fast. Manufacturers, as well as brands, are increasingly looking towards man-made fibre options, mainly polyester.

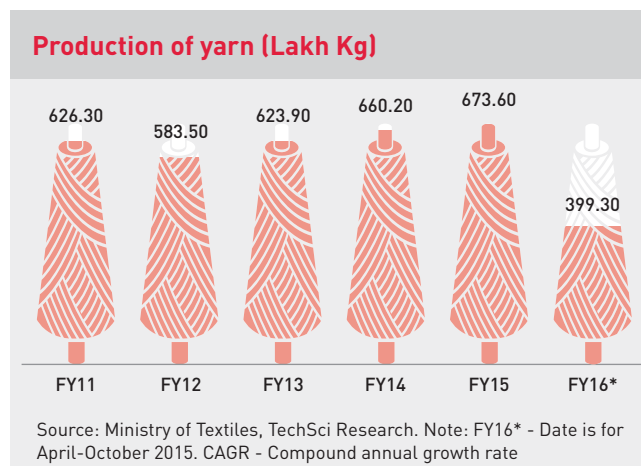


The prices of MMF continued to stabilise in 2015-16 owing to low oil prices globally. At the same time, improvement in the demand for MMF fabrics will be complemented with better affordability, thereby driving growth faster.

Cotton

- Production of yarn grew to 673.60 Lakh Kgs in FY15 from 626.30 Lakh Kgs in FY11, implying a CAGR of 1.8 per cent.
- Production of yarn between April to October'15 stood at 399.30 Lakh Kg.
- Cotton yarn accounts for the largest share in total yarn production; in FY15, the segment's share amounted to 61 per cent.

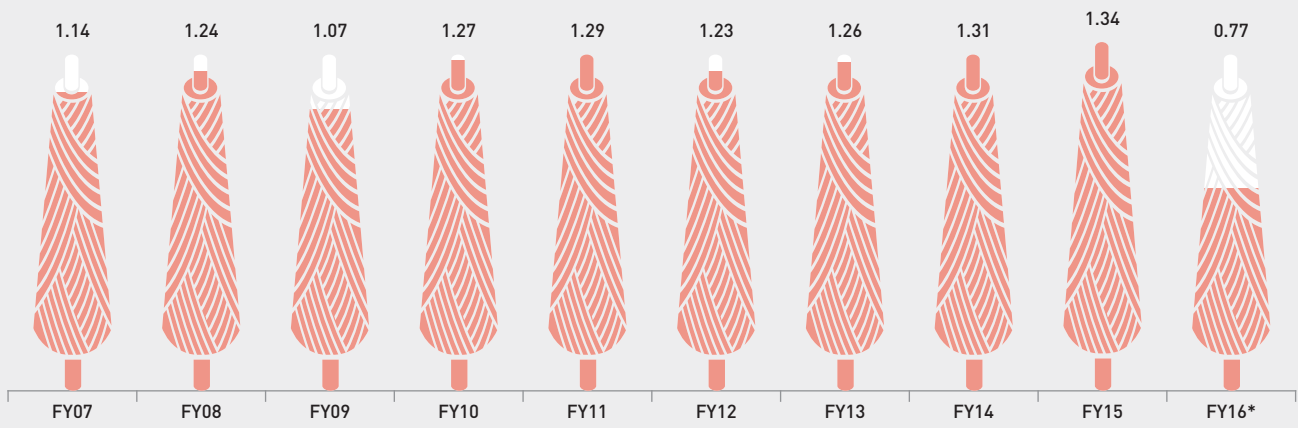
After a continuous slide in raw material prices for the last few quarters, prices are expected to stabilise going forward. Cotton prices are expected to show a moderate growth of 3% in FY17 from a decline of 8% in FY16 due to slight increase in the MSP of cotton and narrowing of demand-supply gap due to decrease in acreage and fall in cotton yield in CS2015-16.



Man Made Fiber

- Production of man-made fibre has been on an upward trend.
- Production stood at 1.34 million tonnes in FY15 with the figure reinforcing a recovery from 2009 levels.
- During the period of FY07-15, production increased at a CAGR of 2.0 per cent.
- During FY16 (April-October 2015), production stood at 0.77 million tonnes.

Production of man-made fibre (million tonnes)



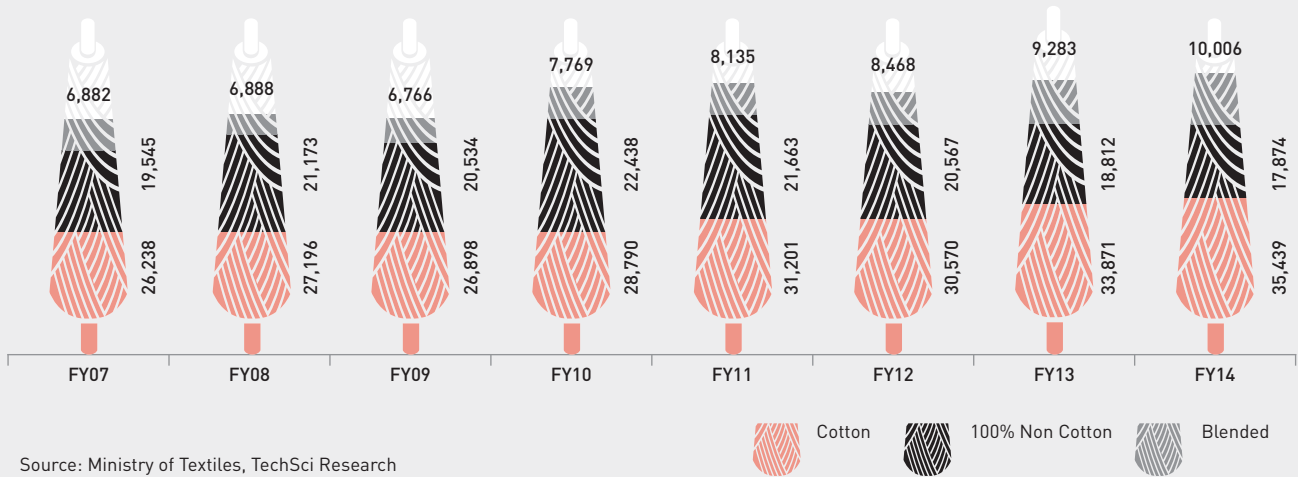
Source: Ministry of Textiles, TechSci Research
 Note: FY16* - Data is for April-October 2015
 CAGR - Compound annual growth rate

Domestic demand is expected to be steady due to factors such as increased substitution for polyester fabric over cotton due to its superior aesthetic qualities and pick-up in RMG demand. However, export prospects appear bleak as policy changes such as Trans Pacific Partnership (a Free trade Agreement) and shifting of orders to Bangladesh and Vietnam are likely to impact demand for yarn from India. With stabilisation in raw material prices, realisations are expected to grow

Fabric

- Fabric production rose to 63,319 million square metre in FY14 from 52,665 million square metres in FY07, implying a CAGR of 2.7 per cent
- The major segment in FY14 is cotton yarn, which accounted for more than 56 per cent

Fabric production (million square metre)



Source: Ministry of Textiles, TechSci Research
 Note: Figures mentioned are as per latest data available

Exports in 2015-16

India's textiles exports are set to record a marginal decline at \$40 billion in the financial year 2015-16 as compared to \$41.4 billion reported in the previous financial year. This marginal decline in textiles exports is being attributed to a slowdown in global economy but, the slowdown in Chinese economy presents a lucrative opportunity for India to grab larger market share in global textile trade going forward.

Make in India

Affordable raw material, labour, strides in textile technology and the 'Make in India' policy could together make India a formidable destination for foreign investment in the textile and garment business. The recent launch of 'Make in India' initiative, a part of Modi government's renewed focus on the country's economy at a glittering event in Mumbai attracted over 1,000 companies and delegates from over 60 countries. Prime Minister Modi announced sweeping changes in manufacturing sector that employ millions of skilled and unskilled youth. By opening up to outside investment, partnerships, expertise and efficiencies, the government aims to usher in an era where India will not only produce for the world but also feed a growing consumer base. This applies to the global fashion industry as well. Since the government has identified India's textiles and garment category as one of the 25 sectors capable of being a world leader, it has allowed sector (among others) to be the beneficiary of 100 per cent FDI. India is the world's second largest textile manufacturer, home to 24 per cent of the world's spindles and 8 per cent of the world's rotors. Given the right support, experts say this sector could be one of the biggest success stories to come out of 'Make in India', right after the IT sector.

Strengths

- Third largest producer of cotton in the world.
- Fifth largest producer of man-made fibre and yarn in the world.
- Vertical and horizontal integrated textile value chain.
- Strong presence in entire textile value chain from raw material to finished goods.
- Globally competitive spinning industry
- Average cotton yarn spinning cost at US\$ 2.5 per kg, which is lower than all the countries including China
- Low wages: rate at 0.75 US\$ per operator hour as compared to US\$ 1 of China and US\$ 3 of Turkey.
- Unique strength in traditional handlooms and handicrafts.
- Flexible production system.
- Diverse design base.

Weaknesses

- Structural weaknesses in weaving and processing.

- 2 percent of shuttle less looms as percentage of total looms as against world average of 16 percent and China, Pakistan and Indonesia 15 percent, 9 percent and 10 percent respectively.
- Highly fragmented and technology backward textile processing sector.
- Highly fragmented garment industry.
- Except spinning, all other segments are predominantly in decentralized sector.
- The rigid labour laws: proving a bottleneck particularly to the garment sector. Large seasonal orders cannot be taken because the labour strength cannot be reduced during the slack season.
- Inadequate capacity of the domestic textile machinery-manufacturing sector.
- Big demand and supply gap in the training facilities in textile sector.

Growth Drivers

- Rising per capita income, favourable demographics and a shift in preference for branded products is expected to boost demand
- Favourable trade policies and superior quality will drive textile exports
- Increase in domestic demand
- Pointed and favourable policies instituted by the government will give the industry a fillip.
- With consumerism and disposable income on the rise, the retail sector has experienced rapid growth in the past decade, with many global players entering the Indian market
- The centers of excellence focused on testing and evaluation as well as resource centres and training facilities have been set up
- Changing lifestyles and increasing demand for quality products are set to fuel the need for apparel

Government Initiatives

The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 percent FDI in the Indian textiles sector under the automatic route. In June 2016 the Union Cabinet has cleared a ₹ 6,000 crore (US\$ 889.44 million) package for the textile sector, aimed at attracting investments worth ₹ 74,000 crore (US\$ 10.95 billion) generating 10 million jobs and increasing textile exports by US\$ 30 billion in the next three years. Besides, the govt. has been initiating various steps to improve distribution and sales of handloom products through tie-ups with e-commerce players as well as a dedicated campaign of #iWearHandloom.

The Union Ministry of Textiles has also set a target of doubling textile exports in 10 years and plans to enter into bilateral agreements with Africa and Australia. In addition it is also working on a new textile policy to promote value addition, apart from finalising guidelines for the revised Textile Upgradation Fund Scheme (TUFS).

Increased investments in TUFS

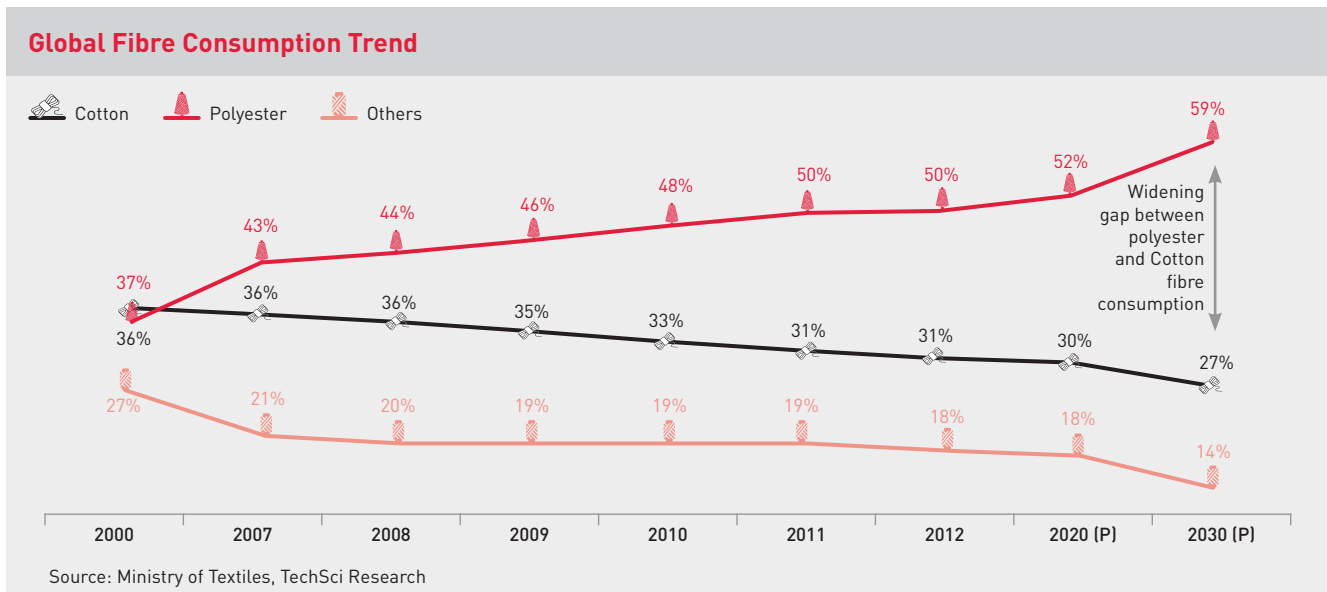
Ministry of Textiles is encouraging investments through increasing focus on schemes such as Technology Up-

gradation Fund Scheme (TUFS) and cluster development activities. TUFS for the textile sector to continue in the 12th Five Year plan with an investment target of USD24.8 billion

Multi fiber agreement

With the expiry of MFA in January 2005, cotton prices in India are now fully integrated with international rates. In 2014, the government has cleared 13 proposal of new textile parks in different states.

The MMF segment potential



- Till 2000, fibre consumption at global level was majorly cotton focussed.
- By 2030, it is expected that consumption of polyester will be more than double to that of the cotton fibre.
- Collective trade in these commodities is ~ US\$ 208 Bn, while India's trade in them is only ~US\$ 385 mn. (0.19%).
- While the world's textiles industry consumes 70% of MMF against 30% of cotton; In India, the scenario is reverse, with MMF at 30% of the total production

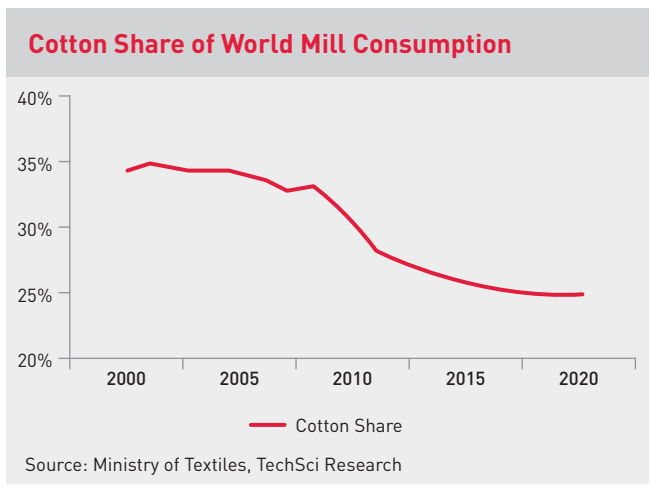
- The untapped opportunity remains in MMF based product categories, which can give an exponential growth to India's export of textile and apparel.

Indian Denim Sector

The global denim jeans market is projected to grow 8 percent, from \$55 billion in 2015 to \$59 billion by 2021, with Latin America and Asia expected to lead the increase. The projected growth is expected to be 12 percent in Asia, 15 percent in Latin America, 10 percent in North America and 4 percent in Europe over the next six years, according to the study from Cotton Inc. Close to 1.9 billion units of denim jeans were sold in the world in 2015 and by 2021 yearly sales of jeans will cross two billion units.

As per a recent study by Cotton Inc., 71 percent of people in Europe and Latin America enjoy wearing denim, followed by 70 percent in the U.S., 58 percent in China and 57 percent in Japan. In contrast, only 32 percent of people in India like to wear denim.

In 2015, India's denim production rose to 1.2 billion meters. Historically, denim has been one of the fastest-growing apparel fabric segments, having grown by 500 million meters, from 700 million meters in 2010 to 1.2 billion in 2015. Denim



makes up 35 percent of total textile exports from India and is expected to rise to 45 percent of total exports by 2020. The production capacity is also expected to increase, to 1.5 billion meters by 2020.

Backed by changing demographics, the market is gaining the desired traction from factors such as rapid urbanisation, changing lifestyle and also emergence of denim as a fashion product. The expansion of organised retail has further added to the momentum. In fact, around 30% of domestic production is exported currently. India is a preferred supplier of denim fabrics to almost all global brands and retailers. India holds huge potential.

The Indian denim market is still under transition both on supply side as well as on the demand side where the value share of the market is still skewed in favour of mega metros and metros which account for 49%, almost half of the total denim market. On the other hand, the urban and rural Indian markets contribute about 51% to the overall share. As the penetration of denim category and the awareness of denim quality increases in those cities and rural India, their share in market value will start increasing. The average number of denim items owned by Indian consumer is much lower in comparison to other consuming market like the US, Europe, China and others. This difference in the number demonstrates

the huge potential that exists for denim in the domestic market. Per capita denim jeans consumption in India is only 0.3 as compared to US's 9, UK's 8, Brazil' 7, Thailand 7, Japan 6 and China's 3.

Domestic apparel industry

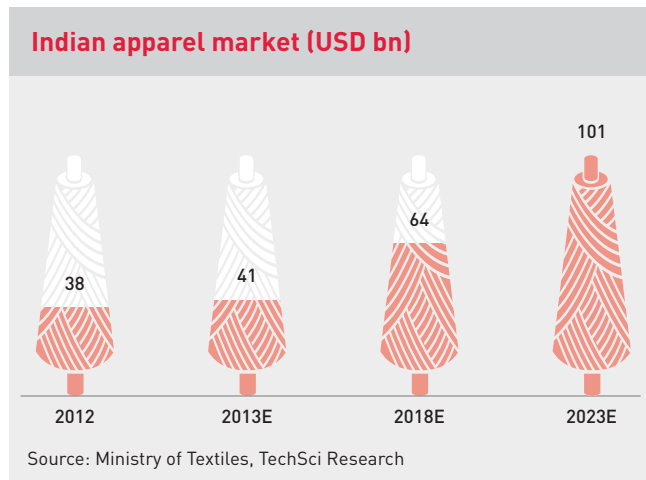
- India's domestic apparel market garners \$41 bln
- 9% CAGR over 2013E-2023E
- Highly fragmented with only 19% of sales coming from organized sector
- Unorganized players largely dominate women's wear market.
- Women's tops and shirts market is expected to post a CAGR of 12%.
- While women's t-shirts and casual wear is expected to post 15% CAGR

Indian inner wear

- One of the high growth categories in the apparel market
- The category growth is an impressive 12% CAGR
- Present size: INR 15,870 crore (\$2.9 bln);
- Expected size: INR 27,900 crore (\$5.1 bln) by 2017.
- The women's innerwear segment contributes 60% to the market approximately.

Indian active wear

- India's market for sportswear garners \$7.3 bln
- It is expected to have grown @33% p.a. between 2010-2014
- Some of the few trends supporting this growth are:
 - Increased media coverage of sports
 - Success of top Indian athletes
 - Investment into sports infrastructure
 - Participation from women



COMPANY OVERVIEW

Parameter	Yarn	Fabric	Garments
Revenue contribution (FY16)	PV yarn 44%	PV fabric 22%	Garments 1%
	Cotton yarn 11%	Denim fabric 21%	
Geographic presence (by revenue share)	Domestic: 77%	Domestic: 66%	Domestic: 86%
	Exports: 23% (Asia, Latin America, Europe the Middle East)	Exports: 34% (Asia, Latin America, Europe the Middle East)	Exports: 14% (Asia, Latin America, Europe the Middle East)
Market position	Estimated to have ~25% share in the Indian dyed PV yarn market in 2016	Mid-sized player in the highly fragmented fabric and denim market	Relatively a small player in the highly fragmented garment market
Industry growth expectations (in volumes) for FY16 to 18E	Blended yarn: 6.5% - 7.5% CAGR	Denim segment 8% CAGR	Domestic RMG segment: 5.5% - 6% CAGR
	Blended yarn: 6.5% - 7.5% CAGR		
End market	Synthetic and cotton fabric manufacturers	Synthetic garment and apparel manufacturers	Consumers
Sales growth (FY11 - FY16 CAGR)	PV yarn : 1.1%	PV fabric: 10.0%	Not applicable
	Cotton yarn : 7.5%	Denim: 17.7%	
Demand drivers	<ul style="list-style-type: none"> • Captive consumption by the domestic synthetic shirting and suiting segment 		<ul style="list-style-type: none"> • Increasing affordability
	<ul style="list-style-type: none"> • Price competitiveness of PV yarn vis-a-vis cotton yarn as incremental cost of dyeing cotton yarn makes it costlier than dyed PV yarn 		
	<ul style="list-style-type: none"> • Shift in presence for apparels made from blended fabric over cotton fabric owing to better comfort (smoothness) and aesthetic (lustre and crease) properties 		
	<ul style="list-style-type: none"> • Growing preference for jeans as daily wear 		

Company overview

Sangam, the flagship company of Sangam group, is a leading manufacturer of PV yarn in India. Promoted as a fabric-manufacturing unit (Arun Synthetics Pvt. Ltd) by Mr R.P. Soni and Mr S.N. Modani, Sangam India has successfully evolved from a yarn player to currently an integrated branded garments company having presence across India – both through offline and online channels. The process began in 1995, with a strategic decision to backward integrate and foray into manufacturing of PV dyed yarn. In the following years, the company continued to expand its capacities and also forayed into branded garment manufacturing and retailing. Today, Sangam India sports prominent brands under its fold - Sangam Suitings (synthetic blended fabric) and Sangam Denim (denim segments). The company's client base includes Raymond, RSWM, Banswara Syntex, Donear, Siyaram and Grasim. It has a network of more than 100 dealers and 1,000 retailers across India. Sangam's manufacturing facilities are located in Bhilwara, Rajasthan. As of FY 2015-16, the company has a spinning capacity of 225,168 spindles and 3,128 rotors; weaving capacity of 483 looms; and processing capacity of 54 mn meters.

C9 – Our most exciting initiative

Sangam forayed in the women's innerwear garments segment, which is a ₹180-200 bn market. Dominated by a few pan-India organised players, this segment is driven by

value-added premium products and, therefore, enjoys better pricing and margins. While this industry offers large growth potential, being a new entrant us both a challenge and an opportunity for the company going forward.

Commenced in 3QFY16, the company sells seamless garments through its 'C9' brand. It offers products in active wear, intimate wear; yoga wear and shape wear, mainly for women. The company uses imported machines from Italy and has started commercial production. The company's products are available through its online website – www.c9fashion.com

The company has commissioned the seamless garment facility of 3.6 mn pieces/annum, and launched a range of products under its "C9" brand.

The company plans to leverage its distribution network to market products. It plans to open ~1,000 multi brand outlets (MBOs) along with 10-15 exclusive brand outlets (EBOs) by the end of FY17 and the company has floated a 100% subsidiary for the same - Sangam Lifestyle Ventures Ltd - in June 2016. It simultaneously opened its first EBO in Mumbai.

Sangam will also sell its C9 range through other branded players. In addition, it is partnering with online players such as Flipkart, Amazon, EBay, Snapdeal, PayTm, Fashionara, Belletouch and others. Since this business has a better margin and RoCE profile, venturing into this business is a step in the right direction by the company.

CAPACITIES

Particulars	FY14	FY15	FY16
Spindles	201216	211296	225168
Fibre Dying Capacity (In % of Finished Production)	100%	100%	100%
Open End Rotors	3908	3128	3128
Texturising Machines	3	3	3
Knitting Machines	18	18	22
Weaving Machines (No. of Looms)	381	437	483
Fabric Processing (in Million Meter P.A.)	53	53	53
Seamless Garments Knitting (No. of Pcs. in Lakhs)	-	36	36
Coal Based Captive Thermal Power Plants (in MW)	31	31	31
Captive Solar Power Plants (in MW)	-	1	1
Wind Power Plants (in MW) at Jaisalmer	5	5	5

Financial performance

Sangam registered a 2.4% increase in net revenues, from ₹ 1468.66 crore in 2014-15 to ₹ 1504.40 crore in 2015-16. Despite the flat topline growth, the company reported a net profit of ₹ 77.04 crore - an increase of 49.4% against ₹ 51.57 crore in 2014-15. The jump in profitability was owing to presence in higher margin products, better process efficiency and improved productivity across the organisation. The EBIDTA of the company also improved by 7.3% to ₹ 233.34 crore in 2015-16 against ₹ 217.39 crore in 2014-15. The company continued to reduce the debt burden, thereby reflected in lower interest costs. In addition, the company also marginally increased its capacities in yarn and fabric divisions using incremental capacity enhancement expenses of recurring nature.

YARN DIVISION

Sangam (India) is the largest player in the Indian PV yarn market, commanding a share of about 25%, and is amongst the largest producer of blended dyed yarn in the country in a single location. Being the market leader, it is the price leader in certain counts such as 2/15s and 2/18s.

- **Locations:** Biliya Kalan and Sareri, Bhilwara, and Soniyana, Chittorgarh, Rajasthan
- **Products:** PV-Dyed & Grey Yarn, Cotton Spun & Open ended Yarn and Texturised Yarn
- **Capacities:**
 - Biliya Kalan** - 96864 spindles and 3 Texturising Machines
 - Sareri** - 115008 spindles, 3128 open end Rotors and 22 knitting Machines
 - Soniyana** - 13296 spindles
- Contributes 55% to the company's total revenue.

The foundation of the company's operations – the company's yarn division offers expertise and infrastructure to produce multiple varieties of yarn including cotton, PV and blended. The company's core focus has been PV yarns traditionally – however the company also produces cotton yarn to fuel its denim operations. Presence in multiple varieties enable company to mitigate any risks emanating from changing tastes, fashion and preferences of the customers in its major markets. With the company's presence in three major segments – denims, seamless garments and blended suiting fabrics – the yarn division becomes the epicentre of operations

and growth. The company consumes 30% of its produced yarns in-house. While the denim segment is supplied with the cotton and blended yarns; the seamless garments and blended fabrics primarily demand PV yarns.

FABRICS DIVISIONS

P/V Fabrics

- Location: Atun, Bhilwara, Rajasthan
- Products: PV fabrics, processed fabrics
- Capacity: PV fabrics – 24 mn meters P.A.; Processed fabrics – 53 mn meters P.A.
- Contributes 22% to the total revenues of the company

Rationale for presence

The company has refocused on its fabrics business since the past two years owing to higher demand and newer distribution platforms spurring consumer spends. The company offers wide range of woven PV fabrics, used for Suitings and bottom wear.

Denim Fabric

- Unit: Biliya Kalan, Bhilwara, Rajasthan
- Products: Denim Fabric
- Capacity: 40 mn meters P.A.
- Contributes 21% to total revenues.

Rationale for presence

The company forayed into production of denim fabric in 2007 and graduated to being a branded denim manufacturer by 2012. Ever since its inception, denim segment has continued to offer high growth owing to the varieties of finishes, the designs, the quality far better than value for money, and an exhaustive distribution network. Being a strategic fit to Company's existing businesses – of Cotton & PV yarns as well as fabric processing capabilities, the denim segment will continue to be a key segment of expansion for the company. Today, the company ranks among the top seven denim manufacturers in the country. To improve its product mix, the company is focussing on introducing premium products in the denim segment aiming mainly at the export markets. The company has expanded its denim fabric capacity to 40 mmpa (mn meter per annum) from 32 mmpa, to manufacture premium products. The Company has exported about 25% of denim fabric production in FY16.

STRENGTHS

Proven business model with high integration

Sangam's business model is fully integrated - from yarn to branded garments - thereby offers better insulation against market uncertainties. The company has demonstrated capability to uphold and offer quality, quantity, variety and affordability to the consumers through its products. The company's sustained investments in capacity and capability build-up has led to its earning a trusted partner status among its buyers. This ability to offer integrated products of high quality as well as trust and acceptance with the buyers have led the company foray into and expand its footprints in two novel segments (denim and seamless garments) in a short span.

Capacity and value addition

The company has developed a greater degree of production flexibility thereby establishing its reputation in both commodity as well as value-added product segments. The company offers a wide variety of yarns - from cotton to PV to textured. At the same time, the company has indigenously developed ability to deliver large quantities with virtually any shade of colour (5,000 shades) and counts (6-50 counts of yarns). It offers single ply, double ply, grindle, roving grindle, core spun, slub and other fancy yarns, making it a one-stop shop for fabric manufacturers.

Quality and Research & development

Sangam's units are equipped with world-class and advanced quality testing equipment like Uster tester, evenness tester and hairiness 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. The company employs strict quality checks across its units including 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. All its units are ISO 9001:2000 certified.

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. Our units are equipped with world-class labs, advanced equipment and qualified professionals to ensure fast turnaround of new products.

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

Having evolved as a brand-focused player, with successful amplification of "Sangam Suitings" - Sangam has already set sight to the next level with C9. In 2015-16 the company continued to focus on activations and high amplification of its new branded seamless garments for woman across key markets. These involved both above the line advertising as well as below the line activations. The company's marketing

and selling initiatives have always tied up to its distribution teams across India and C9 continues to blend the B2C angle by involving the existing distributor base too through proactive knowledge sharing, training and informing on the brand ethos. Given the segment of presence being active wear targeted at women, a high degree of sensitisation as well as product understanding is imparted to the channel partners, distributor partners and even retailers to institute a solution-based approach as against a sales-focused approach, while marketing the product. The company has already tied up with several reputed ecommerce players, who also offer a credible platform to measure and assess customer feedback at regular intervals and hence design/ modify its marketing strategy going forward.

INFORMATION & TECHNOLOGY

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

HUMAN RESOURCES

At Sangam 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 endeavours 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 31.03.2016 the number of employees was about 7000. The industrial relations were also cordial during the period under review.

INTERNAL CONTROL SYSTEM

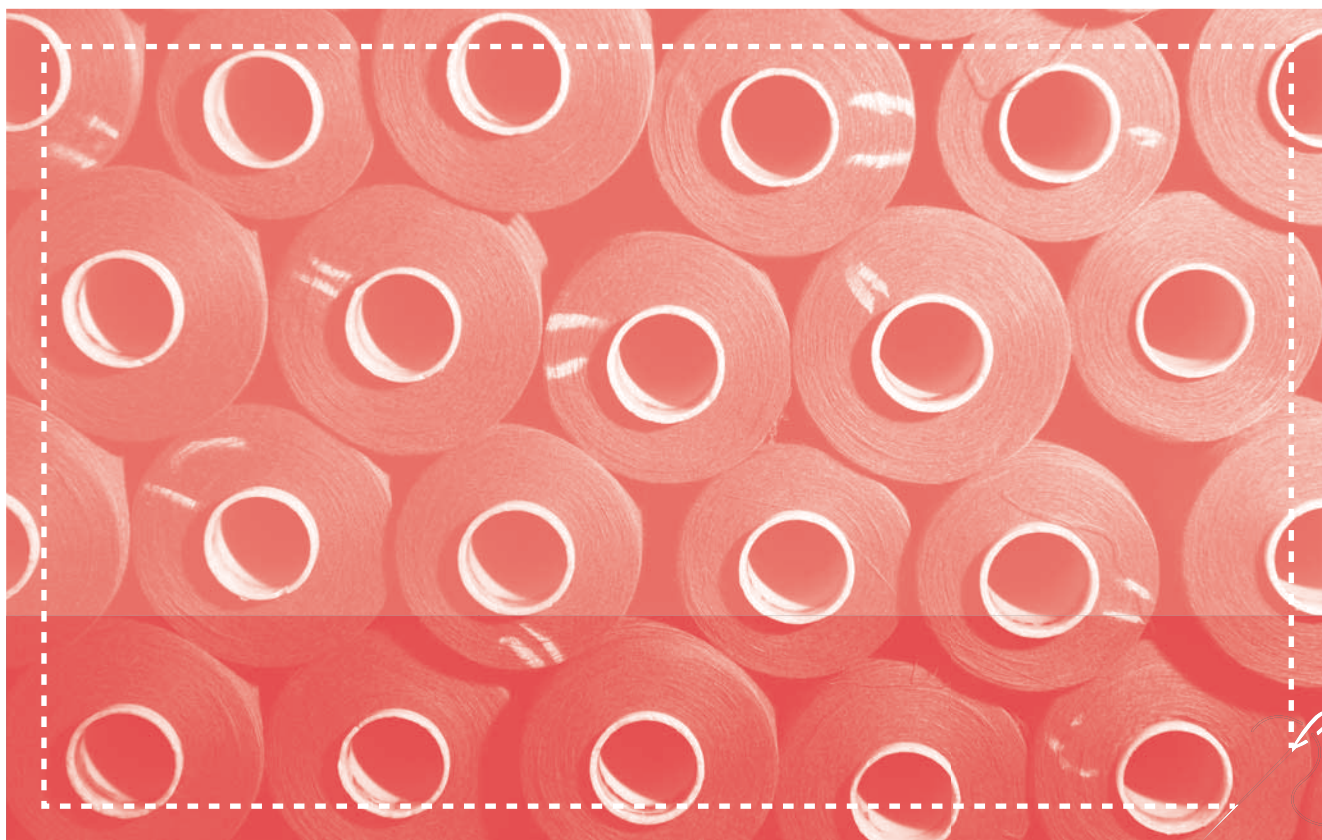
The Company has an adequate system of internal controls to safeguard and protect from loss, unauthorized use or disposition of its assets. All transactions are properly authorized, recorded and reported to the management.

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



The Board of Directors present the 30th Annual Report of the Company together with the Audited Statements of Accounts for the Financial Year ended March 31, 2016.

FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2016 is summarised below:

Particulars	[₹ In Crores]	
	March 31, 2016	March 31, 2015
Net Turnover	1504.40	1468.66
Profit before Tax & Depreciation	186.97	152.91
Depreciation	76.19	80.40
Provision for Doubtful Debts/Advances	0.35	0.35
Profit before Tax	110.43	72.16
Tax Expense		
Current Tax	31.69	24.26
Deferred Tax	1.70	(3.67)
Profit after Tax	77.04	51.57
Brought forward Profit	90.67	78.58
Proposed Dividend	7.88	7.88
Tax on Dividend	1.61	1.60
Transfer to General Reserve	30.00	30.00
Carried to Balance Sheet	128.22	90.67



OPERATIONAL RESULTS

Your company's performance during the financial year can be considered satisfactory despite adverse global and domestic market conditions. Net Turnover was ₹1504.40 Crore as against 1468.66 Crore of previous year, Net Profit increased to ₹77.04 crore compared to ₹51.57 crore in the previous financial year ended 31st March 2015. Exports increased during the current financial year to ₹406.63 crores as against ₹330.27 crores of previous financial year.

DIVIDEND

In view of the satisfactory performance, your directors are pleased to recommend for your approval, dividend of 20% on 3,94,21,559 equity shares of ₹10/- each for the financial year 2015-16 aggregating to ₹7.88 crore, which is subject to approval at the forthcoming Annual General Meeting. The company would also pay dividend distribution tax on distributed dividend.

EXPANSION

The Company's project of ₹198 crores for installation of 26736 Nos. Spindles at New site at Village Soniyana, Dist. Chittorgarh (Raj.), 74 Nos. Weaving Machines at existing site at Village Atun, Distt. Bhilwara and one indigo Denim Fabric Processing Line at the existing site at Village Billiya Kalan, Dist. Bhilwara is under progress. Out of which 13296 spindles, 46 Nos. Weaving Machines and One Indigo Denim Fabric Processing Line have been installed as on 31st March, 2016 and installation of remaining 13440 spindles and 28 Nos. Weaving Machines are under implementation which is scheduled to be implemented by November, 2016.

The above expansion project is being funded by term loans of ₹157.50 Crores and balance from internal accruals.

The Company is spending on Capex plan of ₹18.00 Crores on modernisation, balancing equipments and debottlenecking at all its units. This expenditure is being funded from term loans of ₹13.50 crores and by balance from internal accruals. This plan is expected to be completed by December, 2016.

PUBLIC DEPOSITS

The company has not accepted any deposits from the general public within the meaning of Section 73 of the Companies Act, 2013 and rules made thereunder.

DIRECTORS & KEY MANAGERIAL PERSONNEL

During the year under review, on recommendation of Nomination and Remuneration Committee and in accordance with provisions of Section 196, 197 of the Act, Shri R.P. Soni was appointed as Whole-time Director designated as Chairman of the Company for three years with effect from 1st September, 2015.

Further, on recommendation of Nomination and

Remuneration Committee and in accordance with provisions of Section 161 of the Act, Ms. Seema Srivastava was appointed as an Additional Director with effect from 30th March, 2015 and was held office up to the date of 29th Annual General Meeting held on 30th September, 2015 and being eligible offered herself for appointment as Independent Director. Ms Seema Srivastava had been appointed as an Independent Director for a period of 5 years with effect from 1st October, 2015.

The company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed both under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In accordance with the Companies Act, 2013 and Articles of Association of the Company, Shri R.P. Soni, Chairman of the Company retire by rotation and being eligible offer himself for re-appointment at the ensuing annual general meeting.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel (KMP) of your company are Shri S. N. Modani, Managing Director & CEO and Shri Anil Jain, CFO & Company Secretary. There has been no change in KMP's during the year.

MEETINGS OF THE BOARD

Four meetings of the Board of Directors were held during the year. For further details, please refer report on Corporate Governance given in this Annual Report.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made, guarantees given and securities covered under section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee comprising Shri Achintya Karati, Chairman, Shri

TK. Mukhopadhyay, Member, being Independent Director and Shri R.P. Soni, Executive Director for the Company, for its approval. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

During the Fiscal there are no material transactions between the Company and the related parties as defined under section 188 of the Act and Regulation 23 of the SEBI Listing Regulations. Further, all transactions with related parties have been conducted at an arm's length basis and are in ordinary course of business. Accordingly there are no transactions that are required to be reported in Form AOC-2, as required under Section 134(3)(h) of the Companies Act, 2013 and rule 8(2) of the Companies (Accounts) Rules, 2014, and as such does not form part of the Report.

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.

The Auditors' Report does not contain any qualification, reservation or adverse remark.

COST AUDITORS

The Company has re-appointed M/s K.G. Goyal & Company, Cost Accountants, Jaipur and M/s V.K. Goyal & Company, Cost Accountants, Bhilwara, as Cost Auditors of the Company for the financial year 2016-17 to conduct the audit of cost records of the Company's units as allotted to them. They have furnished a Certificate to the effect that their appointment, if made, would be in accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Act and the

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s S.P. Jethlia & Co., a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit for the year ended 31st March, 2016 is annexed herewith and forming part of the report as Annexure-II.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance and adheres to the stipulations set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and have implemented all the prescribed requirements. Annexed reports on Corporate Governance and Management Discussion and Analysis as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 form part of this Annual Report. Certificate from the Secretarial Auditors of the Company, confirming compliance of conditions of Corporate Governance as stipulated under the aforesaid Schedule V, is annexed to this report.

DIRECTORS RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal auditor, statutory auditors, cost auditors, secretarial auditor and external agencies and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

Accordingly, pursuant to section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. They 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, 2016 and of the profit of the Company for the year ended on that date;
3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. They have prepared the annual accounts of the company for the year ended on March 31, 2016 on a 'going concern' basis.

5. They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were generally operating effectively; and
6. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

BOARD EVALUATION

The Independent Directors of your Company, in a separate meeting held without presence of other Directors and management evaluated performance of the Chairman, Managing Director and Executive Director along with performance of the Board/Board Committees based on various criteria recommended by Nomination & Remuneration Committee. A report on such evaluation done by Independent Directors was taken on record by the Board and further your Board, in compliance with requirements of Companies Act, 2013, evaluated performance of all Independent Directors based on various parameters including attendance, contribution etc.

COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is stated in the Corporate Governance Report and is also available on the Company's Website: www.sangamgroup.com.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The details of the programme for familiarisation of the Independent Directors with the Company in respect of their roles, rights, responsibilities in the Company, nature of the industry in which Company operates, business model of the Company and related matters are put up on the website of the Company www.sangamgroup.com

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website at www.sangamgroup.com.

The Company has identified following focus areas of engagement which are as under:

- Eradicating hunger, poverty and malnutrition

- Promoting Health care including Preventive Health care
- Ensuring environmental sustainability and ecological balance through
- Employment and livelihood enhancing vocational skills and projects
- Promotion of education especially among children, women, elderly and the differently abled
- Promoting gender equality and empowering women
- Contribution or funds provided to technology incubators located within academic institutions
- Rural Development Projects

The Company has initiated the CSR spending in accordance with section 135 of the Companies Act, 2013 though full required amount as per provisions was not spent during the year. The Company has since close of the year further initiated various objectives for full spending during the next year as per CSR provisions.

The brief detail of initiatives undertaken by the Company on CSR activities during the year are set out in Annexure - III of this report.

RISK MANAGEMENT

During the year, the Audit Committee evaluated the Risk Management Policy of the Company to make it more focused in identifying and prioritising the risks, role of various executives in monitoring and mitigation of risk and reporting process. The Risk Management Policy has been reviewed and found adequate to the requirements of the Company by independent firms of Chartered Accountants and approved by the Board.

The Audit Committee evaluated various risks and that there is no element of risk identified that may threaten the existence of the Company.

WHISTLE BLOWER MECHANISM

The company has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The policy of vigil mechanism is available on the Company's website www.sangamgroup.com

PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE

As part of Sangam, the Company is an equal opportunity

employer and believes in providing opportunity and key positions to women professionals. The Group has endeavoured to encourage women professionals by creating proper policies to tackle issues relating to safe and proper working conditions, and create and maintain a healthy and conducive work environment that is free from discrimination. This includes discrimination on any basis, including gender, as well as any form of sexual harassment. During the year, there was no complaint received. Your Company has constituted Internal Complaints Committee (ICC) for various business divisions and offices, as per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

PARTICULARS OF REMUNERATION OF DIRECTORS/ KMP/EMPLOYEES

Disclosure pertaining to remuneration and other details as required Under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure - IV.

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 - I.

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.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules 2014, the extract of annual return is annexed herewith and forming part of the report. (Annexure-V)

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

(DIN 00401439)

Place: Bhilwara

Dated: 13th August, 2016

Annexure - I

INFORMATION REQUIRED UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016.

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 effect 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 falseceiling 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 on-going basis for reduction of consumption of energy.

C) Foreign Exchange Earning And Outgo

Particulars	(₹ In Crores)	
	March 31, 2016	March 31, 2015
a) Total Foreign Exchange used	53.20	56.48
b) Earning in Foreign Exchange	402.58	324.72

Annexure - II

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Sangam (India) Limited
Atun, Chittorgarh Road, Bhilwara – 311001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sangam (India) Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit period);
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit period);
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit period);
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (De listing of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit period); and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit period);

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The Listing Regulations) entered into by the Company with Stock Exchanges,

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no instances of:

- a. Public/Right/Preferential issue of shares/debentures/sweat equity.
- b. Redemption / buy back of securities.
- c. Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- d. Merger/amalgamation/reconstruction etc.
- e. Foreign technical collaborations.

For **S.P. Jethlia & Co.**
Company Secretaries

Place: Bhilwara
Date: 13th August, 2016

SP Jethlia
FCS No. 3464, CP No.4844

Annexure - III

STATEMENT CONTAINING INFORMATION AS PER SECTION 135 READ WITH THE RULE 8 OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY) RULES, 2014 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016

1. The Company's CSR policy is multifaceted to cover projects and programmes in the field of education, healthcare, rural infrastructure and development, sanitation and environment. The primary focus of the Company's CSR initiatives during the year 2015-16 was on projects and programmes for skill development education facility, safe drinking water and health care within the vicinity of the Company's units located at Bhilwara District in Rajasthan. The Company's CSR policy is available on www.Sangamgroup.com.
2. Composition of CSR Committee - the Committee has been constituted by the Board of Directors to formulate CSR Policy, recommend the amount of expenditure to be incurred on the activities and monitor CSR Policy. The committee consists of three Directors :
 - Shri R.P. Soni (Executive Director as Chairman)
 - Shri S.N. Modani (Executive Director as Member)
 - Shri Ramawatar Jaju (Non-executive Director as member)
3. The Average Net Profit of the Company for last three financial years is ₹6916 Lakhs.
4. Prescribed CSR Expenditure is ₹138.32 Lakhs (Computed as per Section 198 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.
5. Details of CSR spend during the financial year.
 - (a) Total amount to be spent for the financial year: ₹138.32 Lakhs
 - (b) Total amount spent directly by the Company during the financial year: ₹22.99 Lakhs
 - (c) Amount unspent, if any: ₹115.33 Lakhs

(Amount in ₹)

Sl. No.	CSR Project/ activity identified	Sector in which the project is covered	Projects/ Programmes 1. Local Area/others 2. Specify the state and district area	Amount outlay (budget) project/ programme wise	Amount spent on the project/ programmes Subheads		Cumulative spend up to the reporting period	Amount spent: Direct/ through implementing agency
					Direct	Overhead		
1	Promoting primary and secondary education in Rural and Socially/ economically backward communities	Promoting education	1. Local Area	-	198568	0	198568	Direct - 198568
2.	Disaster Relief	sanitation and making available safe drinking water	1. Local Area	-	0	2100000	2100000	District Collector - 2100000 Under Mukhya Mantri Jal Swablamban Yojna
					198568	2100000	2298568	

Annexure - IV

STATEMENT CONTAINING INFORMATION AS PER SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH RULES 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED 31ST MARCH, 2016

1. The percentage increase in remuneration of each Director, Key Managerial Personnel (KMP) during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are given hereunder:

Sl. No.	Name of Director	Designation	Remuneration of Director/ KMP (₹ in Lacs)	Percentage increase/ decrease in remuneration	Ratio of remuneration of Director to median remuneration of employees	Comparison of the Remuneration of the Director / KMP against the performance of the Company
1	Shri R.P. Soni #	Chairman Executive Director	167.90	5230.16%	219.94 : 1	Profit before Tax increased by 53% and Net Profit increased by 49% in financial year 2015-16
2	Shri S.N. Modani	Managing Director & CEO Executive Director	213.21	44.69%	279.29 : 1	
3	Shri V.K. Sodani	Whole-time Director Executive Director	64.71	23.47%	84.77 : 1	
4	Shri Achintya Karati	Independent Director Non-executive	3.90	23.81%	5.11 : 1	
5	Shri Ramawatar Jaju	Independent Director Non-executive	1.20	200.00%	1.57 : 1	
6	Shri T.K. Mukhopadhyay	Independent Director Non-executive	2.85	32.56%	3.73 : 1	
7	Ms Seema Srivastava*	Independent Director Non-executive	1.05	-	1.38 : 1	
8	Shri Anil Jain	CFO & Company Secretary	33.15	19.07%	43.42 : 1	

Shri R.P. Soni who was Non-executive Director, appointed as Whole-time Director w.e.f. 1st September, 2015.

* Ms Seema Srivastava was appointed w.e.f. 30.03.2015 and not given any remuneration during the financial year 2014-15.

2. No. of permanent employees who worked for whole year on the rolls of the Company as on 31st March, 2016 was 3953 Nos. and as on 31st March, 2015 was 3751 Nos.;
3. The median remuneration of employees of the Company during the financial year was ₹76338/-

4. Relationship between average increase in remuneration and company performance:-

The Profit before tax for the financial year ended March 31, 2016 increased by 53% whereas the increase in median remuneration was 1.02%. The average increase in median remuneration was in line with the performance of the Company.

5. Comparison of Remuneration of the Key Managerial Personnell(s) against the performance of the Company:

The total remuneration of Key Managerial Personnell increased by 40.62% from ₹175.20 lacs in 2014-15 to ₹246.36 lacs in 2015-16 whereas the Profit before Tax increased by 53% to ₹110.43 crore in financial year 2015-16 in comparison of ₹72.16 crore in financial year 2014-15.

6. Variation in market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

- (a) Variation in the market capitalisation during the Financial Year 2015-16 of the Company

Increase in (₹ in crore)	Percentage increase (%)
673.91	218.75

- (b) Price Earning Ratio

Description	As on 31.03.2016	As on 31.03.2015
Price Earning Ratio	12.74	5.97

- (c) Percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with last public offer in the year 2003-04 : 421%

7. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Human Resources, Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnell and other Employees.
8. No employee has received remuneration in excess of highest paid Director of the Company during the financial year 2015-16.
9. It is hereby affirmed that the remuneration paid as per the Remuneration Policy for Directors, Key Managerial Personnell and other Employees.

Annexure - V

FORM NO. MGT - 9

PURSUANT TO SECTION 92 (3) OF THE COMPANIES ACT, 2013 AND RULE 12(1) OF THE COMPANY (MANAGEMENT & ADMINISTRATION) RULES, 2014.

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON 31/03/2016

I REGISTRATION & OTHER DETAILS:

i	CIN	L17118RJ1984PLC003173
ii	Registration Date	29-Dec-1984
iii	Name of the Company	SANGAM (INDIA) LIMITED
iv	Category of the Company	Public Company
v	Address of the Registered office & contact details	
	Address :	Atun, Chittorgarh Road,
	Town / City :	Bhilwara
	State :	Rajasthan - 311001
	Country Name :	India
	Telephone (with STD Code) :	01482-305000
	Fax Number :	01482-304120
	Email Address :	secretarial@sangamgroup.com
	Website, if any:	www.sangamgroup.com
vi	Whether listed company	Yes
vii	Name and Address of Registrar & Transfer Agents (RTA):-	
	Name of RTA:	Bigshare Services Pvt. Ltd.
	Address :	E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E)
	Town / City :	Mumbai
	State :	Maharashtra
	Pin Code:	400072
	Telephone :	022-40430200
	Fax Number :	022-28475207
	Email Address :	investor@bigshareonline.com

II PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Textile fibres - Preparation and spinning of cotton fibres including blended cotton	13111	11%
2	Preparation and spinning of Textile fibres - Preparation and spinning of man made fibre including blended man made fibre	13114	43%
3	Weaving and Finishing of textiles - Weaving manufacturing of cotton and cotton mixture fabrics	13121	21%
	- Finishing of cotton and blended cotton fabric	13131	
4	Weaving and Finishing of textiles - Weaving, manufacturing of textiles of man made fibre and man made mixture fabrics	13124	19%
	- Finishing of man made and blended man made textiles	13134	

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
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NIL

IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	3169433	-	3169433	8.04%	3169433	-	3169433	8.04%	0.00%
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	13701703	-	13701703	34.76%	15497693	-	15497693	39.31%	4.56%
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
(2) Foreign									
a) NRI - Individual/	-	-	-	-	-	-	-	-	-
b) Other - Individual/	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	16871136	-	16871136	42.80%	18667126	-	18667126	47.35%	4.56%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	0	0	0	0.00%	49299	-	49299	0.13%	0.13%
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	2034160	-	2034160	5.16%	1354549	-	1354549	3.44%	-1.72%
g) FIs	0	0	0	0.00%	3737692	-	3737692	9.48%	9.48%
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	2034160	-	2034160	5.16%	5141540	-	5141540	13.04%	7.88%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	16071038	1500	16072538	40.77%	9879869	1500	9881369	25.07%	-15.71%
ii) Overseas	0	0	0	0.00%	1220988	0	1220988	3.10%	3.10%
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	2146036	198765	2344801	5.95%	1640018	190714	1830732	4.64%	-1.30%
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	807191	-	807191	2.05%	1370956	-	1370956	3.48%	1.43%
c) Others (specify)	1261927	29806	1291733	3.28%	1279242	29606	1308848	3.32%	0.04%
Sub-total (B)(2):-	20286192	230071	20516263	52.04%	15391073	221820	15612893	39.60%	-12.44%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	22320352	230071	22550423	57.20%	20532613	221820	20754433	52.65%	-4.56%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	39191488	230071	39421559	100.00%	39199739	221820	39421559	100.00%	0.00%

ii. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2015			Share holding at the end of the year 31.03.2016			Change in Shareholding during the year	
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	%
1	Anjana Soni	3750	0.01%	-	3750	0.01%	-	-	-
2	Antima Soni	46050	0.12%	-	46050	0.12%	-	-	-
3	Anurag Soni	39397	0.10%	-	39397	0.10%	-	-	-
4	Archana Sodani	60774	0.15%	-	60774	0.15%	-	-	-
5	Badrital Rampal Soni Huf	1734268	4.40%	-	1734268	4.40%	-	-	-
6	Mamta Modani	105404	0.27%	-	105404	0.27%	-	-	-
7	Radha Devi Soni	377761	0.96%	-	377761	0.96%	-	-	-
8	Rampal Soni	453950	1.15%	-	453950	1.15%	-	-	-
9	Rampal Soni Huf	248300	0.63%	-	248300	0.63%	-	-	-
10	Sriniwas Modani	99779	0.25%	-	99779	0.25%	-	-	-
11	Finworth Investment Pvt Ltd	475260	1.21%	-	475260	1.21%	-	-	-
12	Hawamahal Finance Pvt Ltd	2335500	5.92%	-	2335500	5.92%	-	-	-
13	Necco Shipping Company Pvt Ltd	282450	0.72%	-	282450	0.72%	-	-	-
14	Neelgagan Commercial Co Ltd.	1400000	3.55%	-	1400000	3.55%	-	-	-
15	Nikita Credits Pvt Ltd	358200	0.91%	-	358200	0.91%	-	-	-
16	Park View Investment Pvt Ltd	226065	0.57%	-	226065	0.57%	-	-	-
17	Sahyog Finance Ltd	172750	0.44%	-	172750	0.44%	-	-	-
18	Sangam Business Credit Ltd	3155793	8.01%	-	4951783	12.56%	-	1795990	4.56%
19	Sangam Fincap Ltd	2216145	5.62%	-	2216145	5.62%	-	-	-
20	Sangam Granites Pvt Ltd	120815	0.31%	-	120815	0.31%	-	-	-
21	Sangam Infratech Ltd.	1031029	2.62%	-	1031029	2.62%	-	-	-
22	Sangam Suiting Pvt Ltd	263670	0.67%	-	263670	0.67%	-	-	-
23	Sarvodaya Holding Pvt Ltd	1127771	2.86%	-	1127771	2.86%	-	-	-
24	Scorpio Credits Pvt Ltd	536255	1.36%	-	536255	1.36%	-	-	-
	TOTAL	16871136	42.80%	-	18667126	47.35%	-	1795990	4.56%

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sl No.	Name of Promoter	Shareholding at the beginning of the year 01.04.2015		Transaction Detail			Shareholding at the end of the year 31.03.2016	
		No. of Shares	% of total shares of the company	Date	Increase/ Decrease	Reason	No. of shares	% of total shares of the Company
1	SANGAM BUSINESS CREDIT LTD	3155793	8.01%	19-05-15	1795990	Purchase of Shares	4951783	12.56%

Other than the promoters mentioned above, there is no other change in any other Promoter Shareholding

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No.	Name of Shareholder	Shareholding at the beginning of the year 01.04.2015		Increase / Decrease in Shareholding during the year		Shareholding at the end of the year 31.03.2016	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company	No. of shares	% of total shares of the Company
1	Mentor Capital Limited	7730104	19.61%	-4934853	-12.52%	2795251	7.09%
2	Nidhi Mercantile Limited	4898833	12.43%	0	0.00%	4898833	12.43%
3	Ashika Stock Broking Ltd. - Client Fo Margin A/C	1055798	2.68%	-991560	-2.52%	64238	0.16%
4	General Insurance Corporation Of India	967716	2.45%	-44356	-0.11%	923360	2.34%
5	Withal Commercial Private Limited	795990	2.02%	-795990	-2.02%	0	0.00%
6	Life Insurance Corporation Of India	729561	1.85%	-298372	-0.76%	431189	1.09%
7	Swagatam Marketing Private Limited	405934	1.03%	-405934	-1.03%	0	0.00%
8	Shilpa Stock Broker Pvt.Ltd.	380364	0.96%	9425	0.02%	389789	0.99%
9	United India Insurance Company Limited	336883	0.85%	-336883	-0.85%	0	0.00%
10	Gmo Emerging Domestic Opportunities Fund, A Series Of Gmo Trust	0	0.00%	1607271	4.08%	1607271	4.08%
11	Polus Global Fund	0	0.00%	860000	2.18%	860000	2.18%
12	Satpal Khattar	0	0.00%	800000	2.03%	800000	2.03%
13	Gmo Emerging Markets Fund, A Series Of Gmo Trust	0	0.00%	529398	1.34%	529398	1.34%

v. Shareholding of Directors and Key Managerial Personnel:

Sl No.	Name of Director and KMP	Shareholding at the beginning of the year 01.04.2015		Increase / Decrease in Shareholding during the year		Shareholding at the end of the year 31.03.2016	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company	No. of shares	% of total shares of the Company
a. Directors							
1	Shri Rampal Soni	453950	1.15%	-	-	453950	1.15%
2	Shri Sri Niwas Modani	99779	0.25%	-	-	99779	0.25%
3	Shri Vinod Kumar Sodani	-	-	-	-	-	-
4	Shri Achintya Karati	-	-	-	-	-	-
5	Shri Tapan Kumar Mukhopadhyay	-	-	-	-	-	-
6	Shri Ramwatar Jaju	-	-	-	-	-	-
7	Smt. Seema Srivastava	-	-	-	-	-	-
b. Key Managerial Personnel (KMP)							
1	Shri Anil Jain	-	-	-	-	-	-

V INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
(₹ in Lakhs)				
Indebtedness at the beginning of the financial year				
i) Principal Amount	61681	-	-	61681
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	61681	-	-	61681
Change in Indebtedness during the financial year				
* Addition	9721	1663	-	11384
* Reduction	8180	-	-	8180
Net Change	1541	1663	-	3204
Indebtedness at the end of the financial year				
i) Principal Amount	63222	1663	-	64885
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	63222	1663	-	64885

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and /or Manager :

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Shri Srinivas Modani (Managing Director & CEO)	Shri Vinod Kumar Sodani (Executive Director)	*Shri Ram Pal Soni (Whole-time Director)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	81.47	27.62	91.02	200.11
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	9.32	-	1.42	10.74
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	0.00
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	114.71	28.68	66.91	210.30
	- as % of profit	1%	0.25%	1%	
	- others, specify	-	-	-	-
5	Others, please specify Provident Fund (Co. Contribution), Medical Re-imbursment (Exempted), HRA (Exempted)	7.71	8.41	8.55	24.67
	Total (A)	213.21	64.71	167.90	445.82
	Ceiling as per the Act	@10% of Profits calculated under Section 198 of the Companies Act, 2013			

B. Remuneration to other directors:

(₹ In Lakhs)

Sl. no.	Particulars of Remuneration	Name of Directors					Total Amount
		Shri Rampal Soni	Shri Achintya Karati	Shri T.K. Mukhopadhyay	Shri Ramawatar Jaju	Smt. Seema Srivastava	
1	Independent Directors						
	Fee for attending board committee meetings	-	3.90	2.85	1.20	1.05	9.00
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	-	3.90	2.85	1.20	1.05	9.00
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	1.70	-	-	-	-	1.70
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	1.70	-	-	-	-	1.70
	Total (1+2)	1.70	3.90	2.85	1.20	1.05	10.70
	Overall Ceiling as per the Act	The Remuneration to IDs and NEDs was within the ceiling as per the Act (@1% of profits calculated under section 198 of the Companies Act, 2013)					

* Shri Rampal Soni who was non-executive director, has appointed as whole-time director w.e.f. 1st September, 2015 at the Annual General Meeting held on 30.09.2015

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

(₹ In Lakhs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel
		Mr. Anil Jain, CFO & Company Secretary
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30.45
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.14
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	- others, specify	-
5	Others, please specify Provident Fund (Co's Contribution) Medical Reimbursement (Exempted) HRA (Exempted)	2.56
	Total (A)	33.15

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

(₹ In Lakhs)

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)	
A. COMPANY						
Penalty	-	-	-	-	-	-
Punishment	-	-	-	-	-	-
Compounding	-	-	-	-	-	-
B. DIRECTORS						
Penalty	-	-	-	-	-	-
Punishment	-	-	-	-	-	-
Compounding	-	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT						
Penalty	-	-	-	-	-	-
Punishment	-	-	-	-	-	-
Compounding	-	-	-	-	-	-

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

The Board of Directors (the "Board") of the Company are committed to best governance practices in the Company to ensure sustainability and long term value. The Board plays a major role in overseeing how the management serves the short term and long term interests of shareholders and other stakeholders. The Board along with its Committees provide leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. The company has a balanced Board with combination of Executive and Non-Executive Directors to ensure independent functioning and the current composition of the Board is in conformity with Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors presently consists of Seven (7) Directors comprising 3 Promoters and Executive Directors, 4 Independent and Non-Executive Directors.

A. COMPOSITION

Composition of the Board of Directors of the Company as on 31st March 2016 was as under with details of other directorships and committee memberships: -

Name	Status	No. of other Directorship and committee Memberships in other Public Company	
		Other Directorships	Committee Memberships
Shri RP Soni	Promoters Executive /Chairman	7	Nil
Shri SN Modani	Promoters Executive/CEO & Managing Director	Nil	Nil
Shri VK Sodani	Promoter Executive Director	3	2
Shri Ramawatar Jaju	Independent Director	1	Nil
Shri Achintya Karati	Independent Director	7	6
Shri TK Mukhopadhyay	Independent Director	1	Nil
Ms. Seema Srivastava	Independent Director	Nil	Nil

Notes:

1. Excluding private limited companies, foreign companies and companies under Section 8 of Companies Act, 2013, trusts and alternate directorships as per Regulation 26 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.
2. Only Audit Committee and Stakeholders Relationship Committee has been considered as per Regulation 26 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.
3. Ms. Seema Srivastava was appointed as an additional director on 30th March, 2015 and the shareholders approved her appointment as Regular Director at the Annual General Meeting held on 30th September, 2015.
4. 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.
5. The membership of Company's Directors on the Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee given below elsewhere in this report.
6. In terms of Regulation 25 (1), the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, out of the reported 7 public companies, Shri Achintya Karati holds the position of Independent Director in 6 listed companies (including Sangam (India) Limited).
7. None of the Directors hold the office of director in more than the permissible number of companies under the Companies Act, 2013 or Regulation 25 and 26 of the Securities and Exchange Board of India, (Listing Obligations & Disclosure Requirements) Regulations, 2015.

ATTENDANCE OF BOARD MEETING AND AGM

Four meetings of the Board were held during the financial year 2015-16 on 02.05.2015, 04.08.2015, 05.11.2015 and on 12.02.2016. The last Annual General Meeting was held on 30th September 2015.

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

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	Two	No
5	Shri Achintya Karati	All	Yes
6	Shri TK. Mukhopadhyay	All	No
7	Ms. Seema Srivastava	Two	No

MEETING OF INDEPENDENT DIRECTORS AND ATTENDANCE

Independent Directors to meet at least once in a year to deal with matters listed out in Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which inter-alia includes, review the performance of non-independent directors, chairman and the Board as a whole and assess quality and quantity of flow of information to perform the duties by the Board of Directors.

One meeting of Independent Director was held during the financial year 2015-16 on 05.11.2015. Attendance at meeting of Independent Directors held during the year:-

Sl. No.	Name of the Director	Whether Meeting attended
1	Shri Achintya Karati	Yes
2	Shri TK Mukhopadhyay	Yes
3	Ms. Seema Srivastava	Yes
4	Shri Ramawatar Jaju	No

Board Familiarization and Induction Program

The Company has adopted a well-structured induction policy for orientation and training of the Non-Executive Directors to provide them with an opportunity to familiarise themselves with the Company, its management, its operations and the industry in which the Company operates. The induction programme includes one-to-one interactive sessions with the Executive Directors, CFO and Senior Management including the CEO and also includes visit to Company plant sites and locations.

Further, in every quarterly Board meeting, a detailed review on the various business divisions is presented in order to update the Directors and to ensure their effective participation in

the Company's strategy, business performance, operations, finance, investor relations, human resources, IT and other related matters. The presentations to the Board includes update on risk management, company's policies, and quarterly performance report which includes information on business performance, operations, financial parameters, litigations, compliances.

During the year, the Independent Directors visited the Spinning plant at Village Sareri, Dist. Bhilwara. The Directors are presented in advance with the Board Calendar for the entire year which includes coverage of businesses and corporate functions to keep them fully updated on key developments of the Company. Any other important development related to the company, is periodically communicated to the Non-Executive/ Independent Directors. Detailed familiarisation programme for Directors is available on the Company's website at www.sangamgroup.com

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 CFO & Company Secretary of the Company have certified to the Board as required under provision of schedule-II of the clause 17(8) of the Listing Regulation covering all aspects enumerated therein.

AUDIT COMMITTEE

a. Constitution

The terms of reference covered all the aspects stipulated by the SEBI guidelines and the Audit Committee has been mandated with the same terms of reference as specified in Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchanges. The Chairman of the Committee is Shri Achintya Karati, an Independent Director and all members have adequate financial knowledge.

Audit Committee meets the requirement of Section 177 of the Companies Act, 2013 as well as Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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, CFO 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, 2016 was as follows:

Shri Achintya Karati	Chairman (Independent Director)
Shri TK. Mukhopadhyay	Member (Independent Director)
Shri RP Soni	Member (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 2015-16 on 02.05.2015, 04.08.2015, 05.11.2016 and on 12.02.2016.

Attendance

Name of the Director	No. of meetings attended
Shri Achintya Karati	All
Shri TK. Mukhopadhyay	All
Shri RP Soni	All

-Shri Anil Jain, CFO & Company Secretary is the Secretary to the Committee.

-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 SEBI (listing obligation and disclosure requirements) Regulations, 2015 as also the Companies Act, 2013. 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.

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) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (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 and auditor's report thereon 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 sub-section (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) modified opinion(s) in the draft audit report;
- (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) 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;
- (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

- (8) Approval or any subsequent modification of transactions of the Company with related parties;
 - (9) Scrutiny of inter-corporate loans and investments;
 - (10) Valuation of undertakings or assets of the Company, wherever it is necessary;
 - (11) Evaluation of internal financial controls and risk management systems;
 - (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - (13) 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;
 - (14) Discussion with internal auditors of any significant findings and follow up there on;
 - (15) 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;
 - (16) 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;
 - (17) 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;
 - (18) To review the functioning of the whistle blower mechanism;
 - (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
 - (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee
 6. Statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

NOMINATION AND REMUNERATION COMMITTEE

The composition of the Nomination and Remuneration Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations.

Composition

The composition of the Nomination and Remuneration Committee as on 31st March, 2016 was as follows:

Shri Achintya Karati	Chairman (Independent Director)
Shri Ramawatar Jaju	Member (Independent Director)
Shri R P Soni	Member (Executive Director)

There was one meeting held on Nomination and Remuneration Committee on 4th August, 2015. The Remuneration Policy of the Company is:

i. For Managing/Whole time Directors

The total remuneration, subject to share holders approval, consists of:

- a. A fixed component - consisting of salary and perquisites; the perquisites and benefits are in line with the company rules for senior managerial personnel.
- b. 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 V of the Companies Act, 2013.
- c. Commission payable to Shri R.P. Soni, Chairman not exceeding 1%, 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 197 of the Companies Act, 2013 approved by the shareholders.

ii. For Non-executive Directors

Sitting Fees pursuant to the Article 82(a) of the Articles

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

of Association of the Company, the Board of Directors to determine the sitting fee payable to a director of the Company for attending the meeting of the Board or its Committee not exceeding such amount as permissible under the Companies Act, 2013 and/or Rules made thereunder.

Sitting fees to be paid to the Non-executive Directors as given hereunder:

Sl. No.	Type of Meeting	Sitting fees
1	Board Meeting	₹40,000/-
2	Audit Committee Meeting	₹25,000/-
3	Stakeholders Relationship Committee Meeting	₹20,000/-
4	Nomination and Remuneration Committee Meeting	₹25,000/-
5	Corporate Social Responsibility Committee Meeting	Nil

Details of remuneration paid to the Whole-time/ Independent Directors are given in the Extract of Annual Return in Form MGT 9 which is included in this Annual Report.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

During the year, the Stakeholders' Relationship Committee has been re-constituted on 4th August, 2015 as the present Chairman of the Committee Shri R. P. Soni appointed as Whole-time Director with effect from 1st September, 2015, subject to the approval of the members at the ensuing Annual General Meeting to be held on 30th September, 2015.

The main function of the Stakeholders' Relationship Committee is to strengthen the investor relations. The Committee looks into redressal of shareholders' complaints and proper and timely attendance on the investors' grievances. The key responsibilities of the Committee are as under:

- (i) Review statutory compliances relating to all security holders.
- (ii) Consider and resolve the grievances of security holders of the Company, including complaints related to the Non-receipt of Annual Report/declared dividends/notices/ balance sheet.
- (iii) Oversee compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund.
- (iv) Approve issue of duplicate certificates of the Company.
- (v) Review movements in shareholding and ownership structures of the Company.
- (vi) Ensure setting of proper controls and oversee the performance of the Registrar and Share Transfer Agents.

- (vii) Recommend measures for overall improvement of the quality of investor services.

Composition

The composition Stakeholders' Relationship Committee as on 31st March, 2016 was as follows:

Shri Achintya Karati	Chairman (Independent Director)
Shri Ramawatar Jaju	Member (Independent Director)
Shri R P Soni	Member (Executive Director)

Compliance Officer

Shri Anil Jain, CFO & Company Secretary is the Compliance Officer of the Company for complying with the requirements of the SEBI Listing Regulations, and requirements of SEBI (Prohibition of Insider Trading) Regulation, 1992.

During the year, 16 complaint letters were received from investors directly or through SEBI or Stock Exchange(s) and were dealt with satisfactorily. All letters received from the investors were general in nature, which were resolved to the satisfaction of the shareholders within the stipulated time.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors has constituted Corporate Social Responsibility Committee of Directors as required under Section 135 of the Companies Act, 2013. The role of the Committee is to formulate and recommend to the Board, a corporate social responsibility policy, recommend the amount of expenditure to be incurred on activities and monitor CSR Policy.

Composition

The composition of Corporate Social Responsibility Committee as on 31st March, 2016 was as follows:

Shri R P Soni	Chairman (Executive Director)
Shri S N Modani	Member (Executive/Managing Director)
Shri Ramawatar Jaju	Member (Independent Director)

Whistle Blower Policy

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

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
27th AGM-2013	Monday, September 30, 2013	4.00 P.M.	Atun, Chittorgarah Road, Bhilwara – 311001 (Raj.)
28th AGM-2014	Tuesday, September 30, 2014	4.00 P.M.	“The Palm”, Mangrop Road, Harni Kalan, Bhilwara-311001 (Raj.)
29th AGM-2015	Wednesday, September 30, 2015	4.00 P.M.	“Sangam House”, Atun, Chittorgarh Road, Bhilwara-311001 (Rajasthan)

(b) Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the year 2015-16.

(ii) Postal Ballot

No Postal Ballot was conducted during the year 2015-16.

(iii) Special Resolutions

At the Annual General Meeting of the Company held on September 30, 2015:

- Appointment of Shri R. P. Soni as Wholetime Director
- Enhancement of investment limit of FII in the Company.

DISCLOSURES

(i) Details of relevant related party transactions entered into by the company are included in the Notes to Accounts. During the year, the Company has framed a Policy on related party transactions setting out (a) the materiality thresholds for related parties and (b) the manner of dealing with transactions between the company and related parties based on the provisions of the Act and Listing Agreement requirements.

During the year, materially significant transactions with related parties, as per the policy adopted by the Company, were in the normal course of business, priced on an arm's length basis and did not have potential conflict with the interests of the company at large. All transactions with related parties entered into by the company were in the normal course of business on an arms' length basis and were approved by the Audit Committee.

(ii) The company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last 3 years. No penalties or strictures have been imposed by them on the Company.

(iii) The Audit Committee has established a Vigil Mechanism and adopted a Whistle-Blower Policy, which provides a formal mechanism for all Directors and employees of the company to approach the Management of the Company

and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. A copy of policy is also uploaded on the website of the Company. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. The company affirms that no director or employee of the Company has been denied access to the Audit Committee.

(iv) Reconciliation of Share Capital Audit

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

- a. 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.
- b. A Management Discussion and Analysis report is enclosed separately as part of this Annual Report.

Corporate Filing and Dissemination System (CFDS)

Corporate Filing and Dissemination System (CFDS) The Stock Exchanges have the CFDS which is a portal jointly owned, managed and maintained by the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). It is a single source to view information filed by listed companies. All disclosures and communications to the BSE and NSE are filed electronically through the CFDS portal www.corpfiling.co.in.

BSE Listing Centre

BSE Limited has launched an Online Portal - BSE Corporate Compliance & Listing Centre (the "Listing Centre") for submission of various filings by listed companies. All disclosures and periodic filings submitted to the BSE are also upload on the Listing Centre.

NSE Electronic Application Processing System (NEAPS)

The Company also files information through NEAPS – a web based application provided by NSE which facilitates online filing of Corporate Governance Report, the Shareholding Pattern by companies, Results and other disclosures.

Extensive Business Reporting Language (XBRL)

XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who have to create, transmit, use or analyze such information which aids better analysis and decision making. Ministry of Corporate Affairs (MCA) vide its circular No. 37/2011 dated June 7, 2011, had mandated certain companies to file their Annual Accounts vide this mode. The Company has filed its Annual Accounts on MCA through XBRL.

Ministry of Corporate Affairs (MCA)

The Company has periodically filed all the necessary documents with the MCA.

SEBI Complaints Redress System (SCORES)

A centralized web based complaints redress system which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by the investors of actions taken on the complaint and its current status.

Annual Report

The Annual Report containing inter alia the Audited Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to the investors. Management Discussion and Analysis forms part of the Annual Report. Pursuant to the Green Initiative launched by the MCA, the Company also sends e-copies of the Annual Report to Members who have registered for the same.

The Annual Reports are also available in the Investor Relations section on the Company's website www.sangamgroup.com

Green Initiative

In support of the "Green Initiative" undertaken by Ministry of Corporate Affairs, the company had during the financial year 2015-16 sent various communications by email to those members whose email addresses were registered with the Depositories or the Registrar and Transfer Agents. Physical copies sent to only those members whose email addresses were not available.

In view of the Listing Regulation with the Stock Exchanges, the company has emailed soft copies of its Annual Report to all those shareholders who have registered their email address for the said purpose. We would greatly appreciate and encourage more members to register their email address with their Depository Participant or the Registrar and Transfer Agent of the Company to receive soft copies of the Annual Report, Notices and other informations disseminated by the company, on a real-time basis without any delay.

GENERAL SHAREHOLDER INFORMATION

a.	30th Annual General Meeting	
	- Date and Time	Friday, September 30, 2016 at 4.00 p.m.
	- Venue	"Sangam House", Atun, Chittorgarh Road, Bhilwara-311001 (Raj.)
b.	Financial Calendar	
	- Unaudited results for the quarter ending June 2016	August, 2016
	- Un-audited results for the quarter/half year ending September 2016	14th November, 2016
	- Un-audited results for the quarter ending December 2016	14th February, 2017
	- Audited results for the year ending March 31, 2017	June 2017
c.	Book closure date	24.09.2016 to 30.09.2016 (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 2016 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, 2015	89.35	75.00	29094.61	26897.54	89.45	74.50	8844.80	8144.75
May, 2015	131.45	71.50	28071.16	26423.99	131.00	72.00	8489.55	7997.15
June, 2015	152.40	112.30	27968.75	26307.07	152.10	111.20	8467.15	7940.30
July, 2015	219.00	150.00	28578.33	27416.39	218.95	146.50	8654.75	8315.40
August, 2015	249.00	186.40	28417.59	25298.42	249.00	186.15	8621.55	7667.25
September, 2015	278.00	214.00	26471.82	24833.54	277.00	214.00	8055.00	7539.50
October, 2015	290.00	239.30	27618.14	26168.71	290.00	238.85	8336.30	7930.65
November, 2015	297.00	244.80	26824.30	25451.42	297.90	245.10	8116.10	7714.15
December, 2015	324.00	263.30	26256.42	24867.73	324.90	261.95	7979.30	7551.05
January, 2016	320.00	265.30	26197.27	23839.76	319.95	260.50	7972.55	7241.50
February, 2016	285.20	238.50	25002.32	22494.61	286.90	235.10	7600.45	6825.80
March, 2016	272.60	247.00	25479.62	23133.18	273.90	245.05	7777.60	7035.10

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 Shareholding as on March 31, 2016

Category Range - Shares	Shareholders		Shareholding	
	Number	%age	Number of Shares	%age
Up to 500	7122	89.20	913821	2.32
501-1000	395	4.95	328269	0.83
1001-2000	158	1.98	243719	0.62
2001-3000	67	0.84	173034	0.44
3001-4000	33	0.41	116137	0.29
4001-5000	22	0.28	102581	0.26
5001-10,000	47	0.59	357292	0.91
10,001 and above	140	1.75	37186706	94.33
Total	7984	100.00	39421559	100.00

(ii) Shareholding Pattern as on March 31, 2016

Category	No. of Shares held	% of Shareholding
Promoters holding		
(a) Individual Promoters	3169433	8.04
(b) Persons acting in Concerts	15497693	39.31
Others		
Mutual Funds and UTI	-	-
Banks, Financial Institution, Insurance Companies (Central/State Govt. Institutions/ Non Govt. Institutions)	1403848	3.56
Foreign Institutional Investors (FIIs)	3737692	9.48
Private Corporate Bodies	9881369	25.07
Indian Public	3201688	8.12
NRI's / OCBs	1197814	3.04
Trust	1000	0.00
Clearing Members	110034	0.28
Overseas Bodies Corporate	1220988	3.10
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 99.44% 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 305028
 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.)

Unit - III : NH-79, Village Naga Ka Khera,
 Soniyana, Tehsil Gangrar,
 Distt. Chittorgarh (Raj).

Weaving, Processing and Seamless Garments

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. : 022-40430295, 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 1482-305020, Fax: +91 1482 304120
 email : secretarial@sangamgroup.com
 website: www.sangamgroup.com

DECLARATION BY THE CEO UNDER REGULATION 26(3) READ WITH PARA D OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT

Pursuant to sub-regulation (3) of Regulation 26 read with Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members and the Senior Management personnel of the Company have affirmed compliance to their respective Code of Conduct, as applicable to them for the Financial Year ended March 31, 2016.

Place: Bhilwara
Date: August 13, 2016

(S. N. Modani)
CEO & Managing Director

PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Sangam (India) Limited

We have examined the compliance of conditions of Corporate Governance by Sangam (India) Limited ("the Company") for the year ended 31st March 2016 as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchanges ("Listing Agreement") for the period April 1, 2015 to November 30, 2015 and Regulations 17 to 27, clause (b) to (i) of sub-regulation 46 and para C, D & E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") for the period December 1, 2015 to March 31, 2016.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement and the SEBI Listing Regulations applicable for the respective periods as mentioned above.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S. P. Jethlia & Co.**
Practicing Company Secretary

S. P. Jethlia
FCS : 3464 CP : 4844
Place : Bhilwara
Date : August 13, 2016



FINANCIAL SECTION



30th ANNUAL REPORT 2015-16

INDEPENDENT AUDITORS' REPORT

To the Members of

M/S. SANGAM (INDIA) LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of M/s. Sangam (India) Limited ('the Company'), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall 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 on the financial statements.

OPINION

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2016;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account.

- (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements.

- ii. the Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For and on behalf of
R. Kabra & Co.
 Chartered Accountants
 Registration No.104502W

(R.L. Kabra)
 Partner
 M. Ship No.016216
 Camp: Bhilwara
 Date: May 09, 2016

For and on behalf of
B.L. Chordia & Co.
 Chartered Accountants
 Registration No.000294C

(B.L. Chordia)
 Partner
 M.Ship No.010882
 Place: Bhilwara
 Date: May 09, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT (REFERRED TO IN OUR REPORT OF EVEN DATE)

Annexure referred to in Point 1 of the Auditor's Report of even date to the members of **Sangam (India) Limited for the year ended 31st March 2016.**

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

- i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanation given to us, these fixed assets have been physically verified by the management at reasonable intervals in terms of the phased program of verification adopted by the company and no material discrepancies were noticed on such verification
- c) As per the information and explanations given to us by the management, all the title deeds of immovable properties are held in the name of the company and the original documents are deposited with /mortgaged to the banks for the financial assistance obtained as per the memorandum of deposit for creation of charge for term loan / overall limit where the initial charge is created by way of mortgage by deposit of title deeds and therefore we need to rely on the same and unable to verify the original title deeds.
- ii) As per the information and explanations 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 and no material discrepancies were noticed during such verification. In our opinion and having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.

- iii) In our opinion and according to the information and explanations given to us the company has not granted any secured or unsecured loans to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act and therefore clause iii b and iii c of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us in respect of loans, investments, guarantees and security, the provisions of sections 185 and 186 of the Act have been complied with.
- v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits. Therefore, the compliance with respect to directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable to the company.
- vi) In our opinion the maintenance of cost records has been specified by the Central Government sub section (1) of section 148 of the Act and such accounts and records have been so made and maintained by the company. We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- vii) (a) According to information and explanation given to us and the records examined by us, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. There were no undisputed dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable

- (b) According to the information and explanation given to us, there were no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute, except as under:

Disputed Matters with the various forum

Sl. No.	Name of the Statute	Nature of the dues	Amount of disputed demand (₹ In Lakhs)		Period to which the amount relate	Forum where Dispute is pending
			Gross	Net of Deposited		
1	Income Tax Act, 1961	Income Tax	21.00	21.00	2003-04	ITAT, Mumbai
2	Income Tax Act, 1961	Income Tax	8.00	8.00	2011-12	Commissioner of Income Tax (Appeals), Mumbai
3	Central Excise Act, 1994	Excise Duty	5.97	3.46	2005-06, 2007-08, 2012-13 to 2015-16	Commissioner of Excise (Appeals)
4	Central Excise Act, 1994	Excise Duty	14.87	Nil	2007-08 to 2011-12	CESTAT, Delhi
5	Finance Act, 1994	Service tax	29.07	17.74	2010-11 to 2013-14 & 2015-16	Commissioner of Service tax (Appeals)
6	Finance Act, 1994	Service tax	38.53	3.93	2005-06 to 2011-12	CESTAT, Delhi

Sl. No.	Name of the Statute	Nature of the dues	Amount of disputed demand (₹ In Lakhs)		Period to which the amount relate	Forum where Dispute is pending
			Gross	Net of Deposited		
7	Rajasthan Stamp Duty Act, 1998	Stamp Duty	108.91	88.91	2006-07	Rajasthan High Court, Jodhpur
8	Rajasthan Value Added Tax Act, 2003	Value Added Tax	250.17	233.51	2012-13	Tax Board, Ajmer
9	Rajasthan Value Added Tax Act, 2003	Value Added Tax with RIPS Incentive on Exports	341.10	313.73	2010-11 to 2012-13	Tax Board, Ajmer
10	Rajasthan Value Added Tax Act, 2003	Value Added Tax	34.87	32.98	2006-07	D.C. (Appeals)
11	The Rajasthan Tax on Entry of Goods into Local Areas Act, 1999	Entry tax and Interest	410.86	192.64	2002-03 to 2011-12	Special Leave Petition with Supreme Court
					2013-14	D.C. (Appeals)
12	Electricity Act, 2003	Fixed Charges Recovery	19.57	14.57	2009-10 to 2010-11	Rajasthan High Court, Jodhpur

- viii) Based on our audit procedures and the information and explanations provided by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowing to financial institutions, banks and Government. The Company does not have any debenture holders.
- ix) In our opinion and according to the information and explanations given to us, the term loans raised during the year have been applied for the purpose for which those loans were raised. The company has not raised money by way of initial public offer or further public offer, including debt instruments.
- x) During the course of our examination of the books and records of the company carried in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) Since the company is not a nidhi company, clause xii of para 3 of the Order is not applicable to the Company.
- xiii) In our opinion, and based on such checks as we considered appropriate, all the transactions with the related parties

are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements, etc. as required by the applicable Accounting Standards.

- xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv) In our opinion, and based on such checks as we considered appropriate, and according to the information and explanations given to us, the company has not entered in to any non-cash transactions with directors or persons connected with them.
- xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45 - IA of the Reserve Bank of India Act, 1934.

For and on behalf of
R. Kabra & Co.
 Chartered Accountants
 Registration No.104502W

(R.L. Kabra)
 Partner
 M. Ship No.016216
 Camp: Bhilwara
 Date: May 09, 2016

For and on behalf of
B.L. Chordia & Co.
 Chartered Accountants
 Registration No.000294C

(B.L. Chordia)
 Partner
 M.Ship No.010882
 Place: Bhilwara
 Date: May 09, 2016

ANNEXURE "B"

TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in Point 2(f) of the Auditor's Report of even date to the members of **Sangam (India) Limited for the year ended 31st March 2016.**

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Sangam (India) Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For and on behalf of
R. Kabra & Co.
Chartered Accountants
Registration No.104502W

(R.L. Kabra)
Partner
M. Ship No.016216
Camp: Bhilwara
Date: May 09, 2016

For and on behalf of
B.L. Chordia & Co.
Chartered Accountants
Registration No.000294C

(B.L. Chordia)
Partner
M.Ship No.010882
Place: Bhilwara
Date: May 09, 2016

BALANCE SHEET

AS AT 31ST MARCH, 2016

(₹ in Lakhs)

Particulars	Note	As at 31st March, 2016		As at 31st March, 2015	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	3,942		3,942	
Reserves and Surplus	2	39,983		33,228	
			43,925		37,170
Non-Current Liabilities					
Long Term Borrowings	3	28,134		25,778	
Deferred Tax Liability (net)	4	4,205		4,035	
			32,339		29,813
Current Liabilities					
Short Term Borrowings	5	30,150		27,693	
Trade Payables	6	7,647		7,505	
Other Current Liabilities	7	13,748		14,283	
Short Term Provisions	8	1,417		1,197	
			52,962		50,678
TOTAL			1,29,226		1,17,661
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	9	58,415		56,220	
Intangible Assets	9	59		54	
Capital Work-in-Progress	9	1,420		295	
Non-Current Investments	10	585		585	
Long Term Loans and Advances	11	1,971		1,451	
			62,450		58,605
Current Assets					
Inventories	12	29,449		26,509	
Trade Receivables	13	27,110		25,171	
Cash and Bank Balances	14	361		391	
Short Term Loans and Advances	15	7,643		5,772	
Other Current Assets	16	2,213		1,213	
			66,776		59,056
TOTAL			1,29,226		1,17,661
Significant Accounting Policies					
Notes on Financial Statements	1 to 38				

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: May 09,2016For **B.L. Chordia & Co.**Chartered Accountants
(Registration No. 000294C)**(B.L. Chordia)**Partner
M.Ship No. 010882
Place : Bhilwara
Date: May 09,2016

For and on behalf of the Board

(R.P. Soni)
Chairman
(DIN 00401439)**(S.N. Modani)**
Managing Director & CEO
(DIN 00401498)**(Anil Jain)**
CFO & Company Secretary
(M No.: F-3147)**(V.K. Sodani)**
Executive Director
(DIN 00403740)

STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

Particulars	Note	2015-16	2014-15
INCOME			
Revenue from Operations	17	1,50,440	1,46,866
Other Income	18	2,465	1,102
Total Revenue		1,52,905	1,47,968
EXPENDITURE			
Cost of Materials Consumed	19	83,032	83,064
Purchases of Traded Goods	20	1,249	2,470
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	21	(2,223)	(737)
Employee Benefits Expense	22	13,990	11,862
Power & Fuel	23	15,792	15,552
Finance Costs	24	6,396	6,722
Depreciation and Amortisation Expense	25	7,619	8,040
Other Expenses	26	15,972	13,744
Total Expenses		1,41,827	1,40,717
Profit Before Exceptional Item and Tax		11,078	7,251
Exceptional Items			
Provision for Doubtful Debts/ Advances		35	35
Profit Before Tax		11,043	7,216
Tax Expenses			
Current Tax		3,459	2,679
Deferred Tax		170	(367)
Tax Expense for Earlier Years		(290)	(253)
Profit for the year		7,704	5,157
Earnings per equity share of face value of ₹10 each			
Basic and Diluted (in ₹)		19.54	13.08
Significant Accounting Policies			
Notes on Financial Statements	1 to 38		

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: May 09,2016

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

Chartered Accountants

(Registration No. 000294C)

(B.L. Chordia)

Partner

M.Ship No. 010882

Place : Bhilwara

Date: May 09,2016

For and on behalf of the Board

(R.P. Soni)

Chairman

(DIN 00401439)

(S.N. Modani)

Managing Director & CEO

(DIN 00401498)

(Anil Jain)

CFO & Company Secretary

(M No.: F-3147)

(V.K. Sodani)

Executive Director

(DIN 00403740)

SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

- a) 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, 2013.
- b) Accounting policies not specifically referred to otherwise, have been followed consistently and are in consonance with generally accepted accounting principles.
- c) Use of Estimates :- The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the difference between the actual results and the estimates are recognized in the period in which the results are known/materialised.

2. FIXED ASSETS

- a) 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 related direct costs attributable to the same.
- b) 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

- a) Depreciation on Fixed Assets has been provided based on useful lives prescribed in Schedule II of the Companies Act, 2013 on all assets, except in respect of the following assets, where useful life is different than those prescribed in the Schedule II are used as per technical estimate.

Particulars	Useful Life
Plant & Machinery and Electric Installations (for Textile)	9.19 Years
Plant & Machinery and Electric Installations (for Power Generation)	18 Years

Depreciation on addition to fixed assets during the year is calculated on pro rata basis. 5% of the original cost of the assets is considered as residual value of the assets and depreciation is calculated based on the remaining value of the assets based on the useful life of the assets.

- b) 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

- a) All revenues, costs, assets and liabilities are accounted for on accrual basis except where there is no reasonable certainty. Sales are recognized, net of returns and trade discounts, on transfer of significant risk and rewards of ownership to the buyer, which generally coincide with the delivery of goods to the customers. Turnover is excluding Inter Division Sales & Sales-tax but inclusive of excise duty, export incentives and exchange fluctuations.
- b) 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.
- c) Dividend, if any, is accounted on the receipt basis.

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

- a) Monetary and Non-monetary items /transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction.
- b) 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.
- c) 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.
- d) Outstanding derivatives contracts, other than those covered under AS-11, at the year end are marked to market rate, and loss, if any, are accounted for in the Statement of Profit and Loss. As prudent accounting policy, gain on marked to market at the end of year are not accounted for.

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

- a) 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.

SIGNIFICANT ACCOUNTING POLICIES

(CONTD.)

b) 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 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. 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.

16. 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.

17. 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. Government grants are recognized when the right to receive is established.

18. MISCELLANEOUS EXPENDITURE

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

19. SEGMENT REPORTING

Primary Segments are identified based on the nature of products and services, the different risks and returns and the internal business reporting system. Revenue, Expense, Assets and Liabilities, which relate to the Company as a whole and can not be allocated to segments on a reasonable basis, are classified as unallocated.

Secondary segment is identified based on geography by location of customers i.e. in India and outside India.

Inter-segment revenue are accounted for based on the transaction price agreed to between the segments, which is primarily market based.

Results of the other segment have not been shown separately as the same is not material.

NOTES ON

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
1 SHARE CAPITAL		
Authorised Share Capital:		
6,40,00,000 (Previous Year 6,40,00,000) Equity share of ₹ 10 each fully paid up	6,400	6,400
1,85,00,000 (Previous Year 1,85,00,000) Non - Cumulative Redeemable Preference Shares of ₹ 10 each fully paid up	1,850	1,850
	8,250	8,250
Issued, Subscribed and Paid Up:		
3,94,21,559 (Previous Year 3,94,21,559) Equity share of ₹ 10 each fully paid up	3,942	3,942
TOTAL	3,942	3,942

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, 2016		As at 31st March, 2015	
	No. of Shares	% held	No. of Shares	% held
Nidhi Mercantiles Ltd.	48,98,833	12.43%	48,98,833	12.43%
Mentor Capital Ltd. (formerly known as Pacific Corporate Services Ltd.)	27,95,251	7.09%	77,30,104	19.61%
Sangam Business Credit Ltd.	49,51,783	12.56%	31,55,793	8.01%
Sangam Fincap Ltd.	22,16,145	5.62%	22,16,145	5.62%
Hawamahal Finance Pvt. Ltd.	23,35,500	5.92%	23,35,500	5.92%
TOTAL	1,71,97,512	43.62%	2,03,36,375	51.59%

1.3 The reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares		No. of Shares	
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	

1.4 Rights, Preferences and Restrictions:

- The Company has only one class of shares referred to as Equity Shares having par value of ₹ 10 Each holder of Equity Shares is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
2 RESERVES & SURPLUS		
Capital Reserve		
As per last Balance Sheet	297	297
Securities Premium Reserve		
As per last Balance Sheet	5,868	5,868
Preference Share Capital Redemption Reserve		
As per last Balance Sheet	1,178	1,178
General Reserve		
As per last Balance Sheet	16,818	14,000
Add: Transferred from Profit & Loss Account	3,000	3,000
Less: Depreciation Impact due to Change in the Method to Useful Life	-	182
Closing Balance	19,818	16,818

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

(₹ in Lakhs)

		As at 31st March, 2016	As at 31st March, 2015
2	RESERVES & SURPLUS (Contd.)		
	Profit & Loss Account		
	As per last Balance Sheet	9,067	7,858
	Add: Profit for the year	7,704	5,157
	Less: Appropriations		
	Transferred to General Reserve	3,000	3,000
	Proposed Dividend on Equity Shares [Dividend per share ₹ 2.00 (Previous Year ₹ 2.00)]	788	788
	Tax on Dividend	161	160
	Closing Balance	12,822	9,067
	TOTAL	39,983	33,228

(₹ in Lakhs)

		Non - Current		Current Maturities	
		As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
3	LONG TERM BORROWINGS				
	(A) Secured				
	(a) Term Loans From Banks				
	Rupee Loans	26,237	25,661	6,465	8131
	(b) Vehicle Loans From Banks	170	41	110	57
	(c) Vehicle Loans From Others	64	76	26	22
	TOTAL (A)	26,471	25,778	6,601	8,210
	(B) Unsecured				
	Term Loans From Banks				
	Foreign Currency Loans (Buyers Credit)	1,663	-	-	-
	TOTAL (B)	1,663	-	-	-
	TOTAL (A)+(B)	28,134	25,778	6,601	8,210

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.

3.3 Foreign Currency Loans (Buyers' Credit) ₹ 1663 Lakhs (Previous year ₹ Nil) are related to Fixed Assets, ultimate payment of which will be from Term Loans.

3.4 Maturity Profile of Secured Term Loans are as set out below:

(₹ in Lakhs)

	Maturity Profile			
	1-2 years	2-3 years	3-4 years	Beyond 4 years
Term Loans - from banks (Excluding current maturities)	5,913	6,200	5,651	10,136

(₹ in Lakhs)

		As at 31st March, 2016	As at 31st March, 2015
4	DEFERRED TAX LIABILITY (NET)		
	A) Deferred Tax Liability		
	Related to fixed assets	4,622	4,441
	TOTAL (A)	4,622	4,441

NOTES ON

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
4 DEFERRED TAX LIABILITY (NET) (Contd.)		
B) Deferred Tax Assets		
Disallowance u/s 43B of Income Tax Act, 1961	346	339
Provision for Bad & Doubtful Debts	71	67
TOTAL (B)	417	406
C) Deferred Tax Liability (Net) (A-B)	4,205	4,035

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
5 SHORT TERM BORROWINGS		
Secured		
Loans Repayable on Demand		
From Banks (Rupee)	30,150	27,693
TOTAL	30,150	27,693

- 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.

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
6 TRADE PAYABLES		
Micro, Small & Medium Enterprises (Refer Note No.6.1)	-	-
Others	7,647	7,505
TOTAL	7,647	7,505

- 6.1 Dues to micro, small and medium 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.

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
7 OTHER CURRENT LIABILITIES		
Current maturities of long term debt (Refer Note No. 3)	6,601	8,210
Interest accrued but not due on borrowings	53	-
Unpaid Dividends #	26	22
Creditors for Capital Expenditure	645	535
Security Deposit	464	373
Advance from Customers	272	274
Liability towards Staff and Workers	1,008	872
Commission Payable on Sales	983	806
Income Tax Payable (Net)	475	224
Other Payables *	3,221	2,967
TOTAL	13,748	14,283

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

* Includes statutory dues, liabilities for expenses etc.

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
8 SHORT TERM PROVISIONS		
Provisions for Gratuity/ Leave Encashment (Refer Note No. 22.1)	468	248
Proposed Dividend on Equity Share	788	788
Tax on Dividend	161	161
TOTAL	1,417	1,197

Description	Gross Block			Depreciation			Net Block		
	As on 01/04/2015	Additions	Deduction	As on 31/03/2016	For the Year	Adj. /Ded.	Adj. (Oppg.) Reserve	As on 31/03/2016	As On 31/03/2015
9 FIXED ASSETS									
(A) Tangible Assets:									
Own Assets:									
Freehold Land	1,000	180	-	1,180	-	-	-	1,180	1,000
Factory Building	17,309	1,248	-	18,557	551	-	-	13,576	12,879
Office Building	1,484	38	-	1,522	24	-	-	1,474	1,460
Plant & Machinery	88,696	7,358	12	96,042	6,043	9	-	36,329	35,017
Wind Power Machines	2,157	-	-	2,157	114	-	-	873	987
Electric Installation	7,200	490	-	7,690	559	-	-	2,581	2,650
Water Supply Installation	516	11	-	527	16	-	-	393	398
Furniture & Fixture	1,399	108	-	1,507	130	-	-	1,010	1,032
Vehicle	995	341	54	1,282	112	34	-	771	562
Office Equipment	130	19	-	149	13	-	-	42	36
Computer	553	29	-	582	41	-	-	138	150
Sub-Total	1,21,439	9,822	66	1,31,195	7,603	43	-	72,828	56,171
Leased Assets:									
Leasehold Land	58	-	-	58	1	-	-	10	49
Sub-Total	58	-	-	58	1	-	-	10	49
TOTAL (A)	1,21,497	9,822	66	1,31,253	7,604	43	-	72,838	56,220
Previous Year	1,11,070	10,942	515	1,21,497	8,029	383	277	56,220	53,716
(B) Intangible Assets									
Computer software	354	20	-	374	15	-	-	315	54
Total (B)	354	20	-	374	15	-	-	315	54
Previous Year	334	20	-	354	289	-	-	300	45
Total (A)+(B)	1,21,851	9,842	66	1,31,627	7,619	43	-	73,153	56,274
Total Previous Year	1,11,404	10,962	515	1,21,851	8,040	383	277	56,274	53,761
Capital Work In Progress								1,420	295

Note :- 1. ₹ 122 Lakhs (Previous Year ₹ 65 Lakhs) being Pre Operative expenses included in capital work in progress.

2. The Company's depreciation method has changed to Useful Life method as per the Companies Act 2013 during last year for all the assets other than Plant & Machinery and Electrical Installations as disclosed in Accounting Policy on Depreciation.

3. During the previous year, pursuant to the enactment of Companies Act 2013, the Company has applied the estimated useful lives as specified in schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation. Accordingly the unamortized carrying value is being depreciated over the revised / remaining useful lives. Depreciation related to fixed assets whose lives have expired as at 1st April 2014 have been adjusted net of tax during the previous year from the opening balance of General Reserve with amount of ₹ 182 Lakhs and during the current year it is NIL.

NOTES ON

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
10 NON-CURRENT INVESTMENTS		
(Long Term Investments) (Value at Cost)		
Unquoted Non - Trade Investment		
In Equity Shares - Unquoted, fully paid up		
Equity Shares of ₹ 10/- each fully paid		
Keti Sangam Infrastructure (India) Ltd.	581	581
580600 (Previous Year 580600) 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	585	585

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
11 LONG TERM LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Capital Advances - Related Party	208	-
- Others	1,161	799
Security Deposit	589	645
Others*	13	7
TOTAL	1,971	1,451

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

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
12 INVENTORIES		
Raw Materials	10,624	9,346
Stock-in-Process	4,959	4,976
Finished Goods	11,325	9,086
Stores, Spares & Fuel	2,541	3,101
TOTAL	29,449	26,509

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
13 TRADE RECEIVABLES (CURRENT)		
(Unsecured and Considered Good)		
Over six months	3,638	2,157
Others	23,658	23,189
	27,296	25,346
Less: Provision for Doubtful Debts	186	175
TOTAL	27,110	25,171

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
14 CASH & BANK BALANCES		
Earmarked Balances #	26	22
Balance with Banks	178	277
Cash on Hand	20	78
Fixed Deposits with banks ##	137	14
TOTAL	361	391

Balance with Banks against Unclaimed Dividend

Fixed Deposits Earmarked with Banks including above 12 Months Maturities ₹ 132 Lakhs (Previous Year ₹ 10 Lakhs)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
15	SHORT TERM LOANS AND ADVANCES	
	(Unsecured and Considered Good)	
	Balance with Central Excise Authorities	1,778
	Advance against Supplies	2,474
	Subsidy Receivable	1,659
	Excise Rebate Claim Receivable	847
	Security Deposits	271
	Others #	614
	TOTAL	7,643
		1,634
		995
		1,266
		1,169
		419
		289
		5,772

Includes prepaid expenses and advance to employees etc.

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
16	OTHER CURRENT ASSETS	
	(Unsecured and Considered Good)	
	Interest Receivable - From Trade Debtors/ Others	92
	DEPB, DBK, Sales Tax Incentive Receivable	641
	Others #	1,480
	TOTAL	2,213
		24
		965
		224
		1,213

Includes Insurance Claim receivable ₹ 15 Lakhs (Previous Year ₹ 3 Lakhs)

(₹ in Lakhs)

	2015-16	2014-15
17	REVENUE FROM OPERATIONS	
	Sale of Products / Income from services	1,53,783
	Less : Excise duty	3,343
	TOTAL	1,50,440
		1,50,372
		3,506
		1,46,866

(₹ in Lakhs)

	2015-16	2014-15
17.1	Particulars of Sale of Products/Services	
	Yarn	83,200
	Fabrics	28,420
	Denim Fabric	32,679
	Readymade Garments	610
	Seamless Garments	1,284
	Waste	344
	Job Charge	5,715
	Electricity Income	163
	SHIS/IEIS Benefits	51
	Traded Goods - Yarn	1,317
	Traded Goods - Fibre	-
	Traded Goods - Coal	-
	TOTAL	1,53,783
		86,087
		26,765
		29,190
		105
		42
		506
		4,824
		230
		84
		-
		59
		2,480
		1,50,372

17.2 During the year, exchange fluctuation gain on export sales included in sales is ₹ 716 Lakhs (Previous Year ₹ 1067 Lakhs)

NOTES ON

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

		(₹ in Lakhs)	
		2015-16	2014-15
18	OTHER INCOME		
	Interest		
	From Trade Debtors	706	828
	From Others	239	78
	Other Non-Operating Income		
	Toll Arbitration Award (Refer Note No. 30)	1,248	-
	Miscellaneous Receipts	97	50
	Foreign Exchange Fluctuation Gain (Other than considered as finance cost)	146	123
	Profit on Sale of Fixed Assets (Net)	29	23
	TOTAL	2,465	1,102

		2015 - 16		2014 - 15	
		₹ in Lakhs	% of Consumption	₹ in Lakhs	% of Consumption
19	COST OF MATERIALS CONSUMED				
	Imported	1,806	2.18%	1451	1.75%
	Indigenous	81,226	97.82%	81613	98.25%
	TOTAL	83,032	100.00%	83,064	100.00%

		(₹ in Lakhs)	
		2015-16	2014-15
19.1	Particulars of Material Consumed		
	Man Made Fibre	44,775	45,726
	Cotton	17,830	19,774
	POY Yarn	3,483	4,204
	Yarn	7,606	4,772
	Fabrics	2,785	2,688
	Dyes & Chemicals	6,434	5,879
	Others	119	21
	TOTAL	83,032	83,064

		(₹ in Lakhs)	
		2015-16	2014-15
20	PURCHASES OF TRADED GOODS		
	Traded Goods - Yarn	1,249	-
	Traded Goods - Fibre	-	58
	Traded Goods - Coal	-	2,412
	TOTAL	1,249	2,470

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

(₹ in Lakhs)

	2015-16	2014-15
21 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE		
Inventories (at close)		
Finished Goods	11,325	9,086
Stock-in-Process	4,960	4,976
	16,285	14,062
Inventories (at commencement)		
Finished Goods	9,086	9,355
Stock-in-Process	4,976	3,970
	14,062	13,325
TOTAL	(2,223)	(737)

(₹ in Lakhs)

	2015-16	2014-15
22 EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	12,930	10,917
Contribution to Provident and Other Funds	911	764
Staff Welfare Expenses	149	181
TOTAL	13,990	11,862

22.1 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 Lakhs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
I. Assumptions as at				
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.	IALM (2006-08)Ult	IALM (2006-08)Ult
Discount Rate	8.00%	8.00%	8.00%	8.00%
Rate of increase in compensation	5.50%	5.50%	5.50%	5.50%
Rate of return (expected) on plan assets			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	890.24	274.39	702.82	214.71
Interest cost	65.76	19.92	58.71	17.16
Current Service Cost	255.37	200.61	202.22	168.21
Benefits Paid	(136.40)	(50.85)	(115.28)	(52.28)
Actuarial (gain)/ loss on obligation	48.24	(98.13)	41.78	(73.41)
PVO at end of period	1,123.21	345.94	890.25	274.39
III. Changes in fair value of plan assets				
Fair Value of Plan Assets at beginning of period	716.87	199.75	551.76	114.99
Adjustment to Opening Fair Value of Plan Assets	-	-	-	-
Expected Return on Plan Assets	59.83	17.00	56.00	13.88
Contributions	135.68	58.68	222.39	122.24
Benefit Paid	(136.40)	(50.85)	(115.28)	(52.28)
Actuarial gain/ (loss) on plan assets	0.20	0.31	2.00	0.92
Fair Value of Plan Assets at end of period	776.18	224.89	716.87	199.75

NOTES ON

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

(₹ in Lakhs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
IV. Fair Value of Plan Assets				
Fair Value of Plan Assets at beginning of period	716.87	199.75	551.76	114.99
Adjustment to Opening Fair Value of Plan Assets	-	-	-	-
Actual Return on Plan Assets	60.02	17.31	58.00	14.80
Contributions	135.68	58.68	222.39	122.24
Benefit Paid	(136.40)	(50.85)	(115.28)	(52.28)
Fair Value of Plan Assets at end of period	776.18	224.89	716.87	199.75
Funded Status	(347.04)	(121.05)	(173.38)	(74.64)
Excess of actual over estimated return on Plan Assets	0.20	0.31	2.00	0.92
V. Actuarial Gain/ (Loss) Recognized				
Actuarial Gain/ (Loss) for the period (Obligation)	(48.24)	98.13	(41.78)	73.41
Actuarial Gain/ (Loss) for the period (Plan Assets)	0.20	0.31	2.00	0.92
Total Gain/ (Loss) for the period	(48.05)	98.44	(39.78)	74.33
Actuarial Gain/ (Loss) recognized for the period	(48.05)	98.44	(39.78)	74.33
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	1,123.21	345.94	890.25	274.39
Fair Value of Plan Assets at end of period	776.18	224.89	716.87	199.75
Funded Status	(347.04)	(121.05)	(173.38)	(74.64)
Unrecognized Actuarial Gain/ (Loss)	-	-	-	-
Net Asset/ (Liability) recognized in the balance sheet	(347.04)	(121.05)	(173.38)	(74.64)
VII. Expense recognized in the statement of P&L A/c				
Current Service Cost	255.37	200.61	202.22	168.21
Interest Cost	65.76	19.92	58.71	17.16
Expected Return on Plan Assets	(59.83)	(17.00)	(56.00)	(13.87)
Net Actuarial (Gain)/ Loss recognized for the period	48.05	(98.44)	39.78	(74.33)
Expense recognized in the statement of P&L A/c	309.35	105.09	244.71	97.17
VIII. Movements in the Liability recognized in Balance Sheet				
Opening Net Liability	173.37	74.64	151.06	99.72
Adjustment to Opening Fair Value of Plan Assets	-	-	-	-
Expenses as above	309.35	105.09	244.71	97.17
Contribution Paid	(135.68)	(58.68)	(222.39)	(122.23)
Closing Net Liability	347.04	121.05	173.38	74.64
IX. Experience Analysis - Liabilities				
Actuarial (Gain)/ Loss due to change in bases	-	-	104.21	29.26
Experience (Gain)/ Loss due to Change in Experience	48.24	(98.13)	(62.43)	(102.67)
TOTAL	48.24	(98.13)	41.78	(73.41)
Experience Analysis - Plan Assets				
Experience (Gain)/ Loss due to Change in Plan Assets	(0.20)	(0.31)	(2.00)	(0.92)
X. Schedule III Details				
Current Liability	347.04	121.05	173.38	74.64
Non-Current Liability	776.18	224.89	716.87	199.75

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

(₹ in Lakhs)

	2015-16	2014-15
23 POWER & FUEL		
Power & Fuel	15,792	15,552
TOTAL	15,792	15,552

(₹ in Lakhs)

	2015-16	2014-15
24 FINANCE COSTS		
Interest Expenses	5,978	6,328
Bank Charges	418	400
Applicable loss on foreign currency transactions and translation (Net)	-	(6)
TOTAL	6,396	6,722

(₹ in Lakhs)

	2015-16	2014-15
25 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation and Amortisation	7,619	8,040
TOTAL	7,619	8,040

(₹ in Lakhs)

	2015-16	2014-15
26 OTHER EXPENSES		
A. Manufacturing Expenses		
Stores & Spares Consumed	3,382	2,899
Packing Material Consumed	1,905	1,841
Processing and Other Job Charges	2,381	1,784
Repairs To: Plant & Machinery	368	335
Building	122	146
Others	38	39
Other Manufacturing Expenses	1,213	977
Total (A)	9,409	8,021
B. Administrative Expenses		
Rent	144	42
Rates & Taxes	57	26
Payments to Auditors : Statutory Audit Fees	12	10
Certification & Other Services	8	7
Out of Pocket Expenses	2	2
Cost Audit Fees	1	1
Insurance Premium	122	113
Directors' Travelling	44	40
Travelling & Conveyance	301	216
Telephone & Postage	91	92
Directors' Remuneration	435	194
Printing & Stationery	49	52
Legal & Professional Fees	171	145
Vehicle Running & Maintenance	406	413
Director's Sitting Fees	11	9
Charity and Donations	11	11
Miscellaneous Expenses	223	188
Contribution towards CSR (Refer Note No. 35)	23	4
Total (B)	2,111	1,565

NOTES ON

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

		(₹ in Lakhs)	
		2015-16	2014-15
26	OTHER EXPENSES (Contd.)		
	C. Selling and Distribution Expenses		
	Sales Incentive, Commission & Brokerage	1,908	1,421
	Rebates & Claims	42	91
	Freight, Octroi and Other Selling Expenses	2,502	2,646
	Total (C)	4,452	4,158
	Total (A+B+C)	15,972	13,744
		(₹ in Lakhs)	
		2015-16	2014-15
		₹ in Lakhs	% of Consumption
		₹ in Lakhs	% of Consumption
26.1	Value of Stores & Spares Consumed		
	Imported	406	12.01%
	Indigenous	2,976	87.99%
	TOTAL	3,382	100.00%
		(₹ in Lakhs)	
		2015-16	2014-15
26.2	Value of Imports On Cif Basis In Respect of		
	Raw Materials	1,410	1,420
	Stores & Spares	414	439
	Capital Goods	2,741	3,236
	TOTAL	4,565	5,095
		(₹ in Lakhs)	
		2015-16	2014-15
26.3	Expenditure In Foreign Currency		
	Travelling Expenses	51	38
	Other Expenses	704	515
	TOTAL	755	553

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

		2015-16	2014-15
27	EARNINGS PER SHARE (EPS)		
	i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Lakhs)	7,704	5,157
	ii) Weighted Average number of equity shares used as denominator for calculating EPS	3,94,21,559	3,94,21,559
	iii) Basic and Diluted Earning per share (₹)	19.54	13.08
	iv) Face Value per equity share (₹)	10	10

		(₹ in Lakhs)	
		2015-16	2014-15
28	EARNINGS IN FOREIGN EXCHANGE		
	FOB value of exports	40,258	32,472
	TOTAL	40,258	32,472

- 29** The company operates mainly in one segment i.e. Textiles. The company is also having wind power plant, operation of which is not a reportable segment as per AS-17 issued by ICAI.

Secondary Segment Information :

		(₹ in Lakhs)	
		2015-16	2014-15
	Revenue		
	Domestic	1,13,120	1,17,345
	Export	40,663	33,027
	TOTAL	1,53,783	1,50,372

- 30** The company had executed a toll user fee collection contract with NHAI for Usaka Toll Plaza in U.P. on N.H.25 which commenced on 9th March, 2013. However due to breach of contract terms and conditions by NHAI, resulting in continued losses, the company disputed and terminated the contract and went into arbitration. The losses incurred by the Company due to the said contract were fully provided in the earlier years. After due proceedings, the arbitrator has given award in favour of the Company. The principal amount of the award of ₹ 12.47 Crores has been recognised as income by the company and included in other income. NHAI has filed an appeal against the said Arbitration award in the Hon'ble Delhi High Court. On the basis of the arbitration award and legal counsel, the management is virtually certain that the matter will be decided in Company's favour

NOTES ON

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
31 CONTINGENT LIABILITIES AND COMMITMENTS		
I. Contingent Liabilities		
A. Disputed liabilities not acknowledged as debts		
Demand for income tax	29	29
B. Guarantees		
Outstanding Bank Guarantees	951	1,369
C. Other Money for which the company is contingently liable		
(i) Liability in respect of bills discounted with Banks (including third party bills discounting)	45	-
(ii) Stamp Duty case with respect to the merger of SPBL & Sangam India Limited pending with Rajasthan High Court, Jodhpur.	109	109
(iii) Various cases pending with Central Excise & Service Tax (Net of amount fully provided)	27	11
(iv) Case pending with Rajasthan High Court, Jodhpur under Electricity Act, 2003	20	20
(v) Entry Tax matter for the year 2002-03 to 2011-12 is disputed and subjudice before Hon'ble Supreme Court. As per direction of Supreme Court 50% amount of disputed tax has been deposited and for balance disputed tax bank guarantee has been provided. However the company has provided the disputed tax amount fully. The Company is contingently liable to the interest and penalty. For year 2013-14, tax amount has been fully paid and provided, interest and penalty has been disputed and pending with D.C. (Appeals)	85	-
(vi) Sales Tax case pending with Tax Board, Ajmer. The Demand raised for input tax credit not reversed properly.	250	167
(vii) Sales Tax case pending with Tax Board, Ajmer. The demand raised for VAT with RIPS Incentive on export.	341	341
(viii) Sales Tax case pending with D.C. (Appeals). The demand raised due to sales tax incentive benefit calculation procedure.	35	-
(ix) Sales Tax case pending with D.C. (Appeals) for penalty levied for non-furnishing form VAT 47A	2	-
(x) Disputes on the various tolls for which company is contingently liable	152	464
II. Commitments		
A. Estimated amount of contracts (Net of advances) remaining to be executed on capital account and not provided for	8,905	6,212

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 ₹ NIL (Previous Year ₹ NIL), 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 custom duties and penalties, as applicable.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (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 Business Credit Ltd.	
Mahalaxmi TMT Pvt. Ltd.	
Raj Rajeshwar Enterprises Pvt. Ltd.	
Nikita Credits Pvt. Ltd.	
Fashion Funda.Com Pvt. Ltd.	
Key Management Personnel	
Shri R.P. Soni	Chairman
Shri S.N. Modani	Managing Director & CEO
Shri V.K. Sodani	Executive Director
Shri Anil Jain	CFO & Company Secretary
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

(₹ in Lakhs)

Nature of Transaction	Salary / Training Exp.		Insurance Premium		Rent		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Key Management Personnel	468	220	17	7	-	-	485	227
Relatives of Key Management Personnel	61	61	5	5	63	13	129	79
Others	-	-	-	-	6	1	6	1
Total	529	281	22	12	69	14	620	307

(₹ in Lakhs)

Sale of Goods / Job Charges / Interest Received	2016	2015
Associate Company	757	662

(₹ in Lakhs)

Purchase/Job Charges	2016	2015
Associate Company	116	86

(₹ in Lakhs)

Purchase of Capital Goods	2016	2015
Associate Company	123	85

(₹ in Lakhs)

Rent Received	2016	2015
Associate Company	1	-

NOTES ON

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

33 DETAIL OF PRE OPERATIVE EXPENSES CAPITALIZED / DEFERRED FOR CAPITALISATION UNDER THE HEAD CAPITAL WORK IN PROGRESS

Particulars	(₹ in Lakhs)	
	Year Ended 31.03.2016	Year Ended 31.03.2015
Opening Balance	65	71
Financial Charges	239	170
Direct cost Attributable to Project	66	105
TOTAL	370	346
Less: Exp. Apportioned to fixed assets	248	281
Balance yet to be allocated	122	65

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	2016	2015	Purpose
Forward Exchange Contract	USD	\$ 211.50 Lakhs	\$ 224.46 Lakhs	Export
Forward Exchange Contract	Euro	€ 9.20 Lakhs	€ 19.45 Lakhs	Export
TOTAL	INR	₹ 15203 Lakhs	₹ 16069 Lakhs	

There is no derivative contract for option which is outstanding as at 31.03.2016.

b. Unhedged Foreign Currency Exposure

Purpose	Currency	2016	2015
Import (Raw Materials)	USD	\$ 2.75 Lakhs	\$ 3.58 Lakhs
Import (Stores & Spares)	Euro	-	€ 3.15 Lakhs
Fixed Assets	Euro	€ 24.61 Lakhs	-
TOTAL	INR	₹ 2009 Lakhs	₹ 436 Lakhs

35 The Company has initiated the CSR spending in accordance with section 135 of the companies Act, 2013 though full required amount as per provisions was not spent during the year. The company has since close of the year further initiated various objectives for full spending during the next year as per CSR provisions.

36 In the opinion of Management, there is no impairment of assets in accordance with accounting standard (AS-28) as on Balance Sheet date.

37 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 ₹ 233 Lakhs (Previous Year ₹ 229 Lakhs)

38 The Balance Sheet of the Company has been prepared as per Schedule III of the Companies Act 2013. 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: May 09,2016

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

Chartered Accountants
(Registration No. 000294C)

(B.L. Chordia)

Partner
M.Ship No. 010882
Place : Bhilwara
Date: May 09,2016

For and on behalf of the Board

(R.P. Soni)

Chairman
(DIN 00401439)

(S.N. Modani)

Managing Director & CEO
(DIN 00401498)

(Anil Jain)

CFO & Company Secretary
(M No.: F-3147)

(V.K. Sodani)

Executive Director
(DIN 00403740)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

	2016	2015
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	11,043	7,216
Adjustments for		
Depreciation and Amortisation Expense	7,619	8,040
Finance Costs	6,396	6,722
Interest Income	(945)	(907)
Provision for Doubtful Debts & Advances	35	35
Profit on Sale of Fixed Assets (Net)	(29)	(23)
Operating Profit before working capital changes	24,119	21,083
Adjustment for		
Inventories	(2,940)	(3,136)
Trade & Other Receivables	(5,298)	(3,586)
Trade & Other Payables	1,378	1,634
Cash Generated from Operations	17,259	15,995
Taxes Paid	3,169	2,426
Net Cash Inflow / (Out Flow) from Operating Activities	14,090	13,569
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(10,967)	(9,878)
Sale of Fixed Assets	54	155
Interest Income	220	78
Sale of Investment	-	200
Net Cash Inflow/(Outflow) from Investing Activities	(10,693)	(9,445)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	8,927	6,417
Repayment of Long Term Borrowings	(8,180)	(9,438)
Increased / Decreased in Short- Term Borrowings	2,457	5,515
Finance Costs	(6,343)	(6,722)
Interest Income	657	862
Dividend Paid (Including Tax on Dividend)	(945)	(695)
Net Cash Inflow / (Out Flow) from Financing Activities	(3,427)	(4,061)
Net Increase/(Decrease) in Cash & Cash equivalents	(30)	63
Cash and Cash Equivalents at the Beginning	391	328
Cash and Cash Equivalents at the End	361	391

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: May 09, 2016

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

Partner

M.Ship No. 010882

Place : Bhilwara

Date: May 09, 2016

For and on behalf of the Board

(R.P. Soni)

Chairman

(DIN 00401439)

(S.N. Modani)

Managing Director & CEO

(DIN 00401498)

(Anil Jain)

CFO & Company Secretary

(M No.: F-3147)

(V.K. Sodani)

Executive Director

(DIN 00403740)

Notice To The Members,

NOTICE IS HEREBY GIVEN THAT THE 30TH ANNUAL GENERAL MEETING OF THE MEMBERS OF SANGAM (INDIA) LIMITED WILL BE HELD ON FRIDAY, THE 30TH SEPTEMBER, 2016 AT 4.00 P.M., AT COMPANY'S REGISTERED OFFICE AT "SANGAM HOUSE", ATUN, CHITTORGARH ROAD, 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, 2016 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 2015-16.
3. To appoint a Director in place of Shri R. P. Soni (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. Approval for ratification of continuation of Shri R.P. Soni as Whole-time Director designated as Chairman after attaining age of 70 years

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

RESOLVED that pursuant to sections 196 and 197 of the Companies Act, 2013 read with Schedule V Part I (c), the consent of the members be and is hereby accorded for ratification of continuation of Shri R.P. Soni (DIN : 00401439) w.e.f. 26.01.2016, as Whole time Director designated as Chairman of the Company as per terms and conditions specified in the resolution passed by the members at 29th Annual General Meeting of the Company held on 30th September, 2015, even though his attaining the age of seventy years on 26th January, 2016 and shall be entitled to the remuneration as passed in the above stated resolution.

6. Approval of Remuneration to the Cost Auditors

To consider and, if thought fit, to pass 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 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, 2017, 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.

7. Adoption of new Articles of Association of the Company containing regulations in conformity with Companies Act, 2013

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 5, 14 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), rules and regulations made there under, the enabling provisions of the memorandum and articles of association of the Company and subject to the requisite approvals, consents, permissions and/or sanctions as may be required, if any, the draft regulations contained in the Articles of Association submitted to this meeting and duly initialled be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."



8. Approval of related party transactions with Related Parties

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to provisions of Section 188 and applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) Related Party Transaction Policy of the Company and other statutory provisions, rules, regulations etc. as may be applicable, the consent of the Company be and is hereby accorded for transactions exceeding 10% of the turnover of the Company or ₹ 150 crore, whichever is lower, in any financial year, with each of the related parties as defined under the Act with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of, or buying, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or otherwise disposing of any goods, materials or property or availing or rendering of any services or appointment of such related party to any office or place of profit in the Company or its subsidiary or associate Company or reimbursement of any transaction or any other transaction of whatever nature with related parties on arm’s length basis in the ordinary course of business.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give

effect to this resolution.”

9. Approval for service of documents u/s 20 of the Companies Act 2013 for delivery of documents in a particular mode

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules prescribed thereunder, the consent of the Company be and is hereby accorded to charge from a member in advance, a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode if any request has been made by such member for delivery of such document to him through such mode of service provided such request along with the requisite fee has been duly received by the Company at least one week in advance of the dispatch of the document by the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board of Directors

(ANIL JAIN)

Date: August 13, 2016
Place: Bhilwara

CFO & Company Secretary
M. No. : F-3147

NOTES:

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the business under Item No. 5 to 9 set out above and details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") in respect of Director seeking reappointment at this Annual General Meeting are annexed hereto.
2. 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 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or a Member.

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.
3. 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.
4. The company's Register of members and share transfer books shall remain closed from Saturday the 24th September, 2016 to Friday the 30th September, 2016 (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 ₹ 2.00/- per share has been recommended by the Board of Directors for the year ended 31st March, 2016 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 6,95,353/- being the unpaid and unclaimed dividend amount pertaining to the financial year 2006-07, on 2nd December, 2014 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. As per the provisions of Section 72 of the Act, facility for making nomination is available for the members in respect of the shares held by them. Members holding shares in single name and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to cancel the earlier nomination and record fresh nomination, he/she may submit the same Form No. SH-14. Members holding shares in physical form are requested to submit the forms to the Company.
10. 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 along with the proof thereof.
11. Electronic copy of the Annual Report for the financial year 2015-16 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 2015-16 is being sent in the permitted mode.
12. To support the "Green Initiative" Members who have not registered their e-mail addresses are required to register the same with the Company/ Depository. Members may note that this Notice and the Annual Report 2015-16 will also be available on the Company's website viz. www.sangamgroup.com.



13. Voting Options

Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on 26th September, 2016 (9:00 am) and ends on 29th September, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

(i) Open email and open PDF file viz; "Sangam e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>

(iii) Click on Shareholder - Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "Sangam (India) Limited".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to sangamscrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:
EVEN (Remote e-voting Event Number)
USER ID PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

VIII. You can also update your mobile number and e-mail

id in the user profile details of the folio which may be used for sending future communication(s).

- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd September, 2016.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd September, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or bhagwan@bigshareonline.com.
- XI. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIV. Mr. S. P. Jethlia, Practicing Company Secretary (Membership No. 3464) and Proprietor of M/s. S. P. Jethlia & Co., Company Secretary has been appointed for as the Scrutinizer for providing facility

to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

- XV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of Ballot Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XVI. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.sangamgroup.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

By Order of the Board of Directors

(ANIL JAIN)

Date: August 13, 2016

CFO & Company Secretary

Place: Bhilwara

M. No. : F-3147

EXPLANATORY STATEMENT

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

Item No. 5

As per the requirement of the Schedule V Part I (c) of the Companies Act, 2013 if a managing or Whole Time Director has attained the age of 70 years then his appointment/continuation needs to be approved by a special resolution passed by the Company in General Meeting otherwise Central Government approval is required.

Shri R. P. Soni (DIN: 00401439) has attained the age of 70 years on 26th January, 2016. Your directors in their meeting held on 13th August, 2016 have approved his continuation as Whole-time Director w.e.f. 26th January, 2016 and recommended the above resolution for approval of the Shareholders as a Special Resolution.

Save and except Shri R.P.Soni and his relatives, none of the other Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the proposed resolution set out at Item No. 5 of this Notice

Item No. 6

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. 5 of the Notice, for the financial year 2016-17, 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 2016-17, 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. 5.

Item No. 7

The existing Articles of Association ("Articles") of the Company are based on the Companies Act, 1956 and several regulations in the existing Articles contain reference to the Sections of the Companies Act, 1956. Some regulations in the existing Articles are no longer in conformity with the provisions of the Companies Act, 2013 ("Act").

With the enactment of the Companies Act, 2013, several regulations of the existing Articles of the Company require alteration and/or deletion. Given this position, it is considered expedient to wholly replace the existing Articles by a new set of Articles.

The draft Articles are lying on website of the company www.sangamgroup.com. The same shall also be open for inspection by the Members at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m to 1.00 p.m up to the date of this Annual General Meeting.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the said Resolution. The Board of Directors recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the Shareholders.

Item No. 8

As per the provisions of Section 188 of the Companies Act, 2013 read with rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter "SEBI Listing Regulations, 2015") except with the approval of the Shareholders by way of resolution, a company shall not enter into any transaction with any Related Party for availing or rendering of any service exceeding 10% of the turnover of the company or ₹ 150 crore, whichever is lower.

The related parties of your Company, inter-alia includes its subsidiaries and associate companies. The omnibus

approval from the Audit Committee had been accorded in respect of the transactions with all the related parties pursuant to the provisions of SEBI Listing Regulations, 2015. Pursuant to Section 188 of the Companies Act, 2013, the company proposes to seek approval of the Shareholders by way of an ordinary resolution for entering into transactions exceeding 10% of the annual turnover of the Company or ₹ 150 Crore whichever is lower in any financial year with M/s Raj Rajeshwar Enterprises Pvt. Ltd., M/s Mahalaxmi TMT Pvt. Ltd., Fashion Funda.com Pvt. Ltd., M/s Sangam Lifestyle Ventures Ltd.

The Company is having transactions in the ordinary course of business at arm's length basis with the following Associate Companies:

1. Raj Rajeshwar Enterprises Pvt. Ltd.

Raj Rajeshwar Enterprises Pvt. Ltd. (RREPL) is a company in which Directors relative is the Director. The Company has a long term contract with RREPL for sale/purchase of Company's textile products and processing of fabrics. The prices for the said transactions are as per the agreed terms and conditions.

2. M/s Mahalaxmi TMT Pvt. Ltd. (MTPL)

The Company has a long term contract with MTPL for purchase of Steel products of MTPL. The prices for the said transactions are as per the agreed terms and conditions and on Arm's length basis.

The relative of Director of the Company is the Director on the Board of MTPL.

3. Fashion Funda.com Pvt. Ltd., (FFPL)

FFPL is an online marketing based Company who purchased the Sangam's textile product and has a long term contract with FFPL. The prices for the said transactions are as per the agreed terms and conditions and on Arm's length basis.

The relatives of Directors of the Company are the Directors on the Board of FFPL.

4. M/s Sangam Lifestyle Ventures Ltd. (SLVL)

SLVL is a wholly subsidiary company of Sangam (India) Limited incorporated during the month of June, 2016 for its retail business. The new subsidiary will focus on developing new exclusive chain of stores under C 9 Fashion brand name while the company will continue to expand its multi-brand outlets. Sangam (India) Ltd. has executed a long term contract with SLVL.

The particulars of the transaction pursuant to the provisions of Section 188 and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

Name of the related Party	Nature of relationship	Nature of transaction(s)	Estimated amount of the Contract in any financial year (₹ in Crores)	Director or Key Managerial Person who is interested
Raj Rajeshwar Enterprises Pvt. Ltd.	Interested Director	Sale, purchase, supply of goods and availing/ rendering of services	20.00	Shri S. N. Modani
Mahalaxmi TMT Pvt. Ltd.	Interested Director	Sale, purchase and supply of goods	10.00	Shri R. P. Soni
Fashion Funda.com Pvt. Ltd.,	Interested Director	Leasing of Property	0.25	Shri V. K. Sodani
Sangam Lifestyle Ventures Ltd.	Subsidiary Company	Sale, purchase, supply of goods and availing/ rendering of services	25.00	Shri R. P. Soni Shri S. N. Modani Shri V. K. Sodani
Smt. Radha Devi Soni	Relative	Leasing of immoveable property	1.00	Shri R. P. Soni
Smt. Mamta Modani	Relative	Leasing of immoveable property	0.10	Shri R. P. Soni Shri S. N. Modani
Ms. Antima Soni	Relative	Leasing of immoveable property	0.10	Shri R. P. Soni

Save and except Shri R. P. Soni, Shri S. N. Modani and Shri V. K. Sodani and their relatives, none of the other Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolutions either financially or otherwise, in the proposed resolution set out at Item No. 7 of the Notice.

Item No. 9

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivery at his office or residence address or by such electronic or other mode as may be prescribed. Further, proviso to sub-section (2) of Section 20 states that a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the company in its Annual General Meeting. Accordingly, the Board of Directors in their meeting held on 13th August 2016 has proposed that a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode, if any request has been made by any member for delivery of such documents to him through such mode of service, be taken to cover the cost of such delivery.

None of the Directors or Key Managerial Personnel including their relatives is concerned or interested, financial or otherwise, in the said resolution. The Board recommends the Ordinary Resolution for approval of the Members in the proposed resolution set out at Item No. 9 of this Notice.

By Order of the Board of Directors

Date: August 13, 2016
Place: Bhilwara

(ANIL JAIN)
CFO & Company Secretary
M. No. : F-3147

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Pursuant to SEBI Listing Regulations and Secretarial Standard – 2 on General Meetings

Particulars	Shri R. P. Soni
Director Identification No.	00401439
Date of Birth	26/01/1946
Date of Appointment	31/12/1984
Qualifications	B.Sc., Diploma In Civil Engineering
Expertise in specific functional areas	Shri R. P. Soni has a wide experience of over four decades in diverse industries and is presently the Chairman of the Company.
Directorships held in other companies	Sangam Horticulture Pvt. Ltd. Sangam Capital Services Ltd. Sangam E-Com Ltd. Sangam Infotech.com Ltd. Sangam Infratech Ltd. Keti Sangam Infrastructure (India) Ltd. Kalyan Sangam Infratech Ltd PKSS Infrastructure Pvt. Ltd. Bhilwara Estate Pvt. Ltd. Maha Laxmi Tmt Pvt. Ltd. Sangam Sai Annaya Developers Pvt. Ltd. Sangam (India) Limited Sapatrishi Commercial Company Ltd.
Memberships/Chairmanships of statutory committees across companies	Nil
No. of shares held in the Company	4,53,950 Equity Shares

For other details, such as number of meetings of the Board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of the above director please refer to the Board's Report and the Corporate Governance Report.



Value through values

Sangam (India) Limited

(CIN: L17118RJ1984PLC003173)

Registered Office: Atun, Chittorgarh Road, Bhilwara - 311 001 (Rajasthan) Ph.: +91 1482 305000 Fax: +91 1482 304120,
Email: secretarial@sangamgroup.com, website: www.sangamgroup.com**ATTENDANCE SLIP**

--

I hereby record my presence at the 30th Annual General Meeting of the Company held on Friday, the 30th September, 2016 at 4:00 PM. at "Sangam House", Atun, Chittorgarh Road, Bhilwara-311001 (Rajasthan).

NOTE: Please bring this Attendance Slip to the Meeting and Hand Over at Signature of Shareholder/Proxy's
The Entrance Duly Filled in.**ELECTRONIC VOTING PARTICULARS**

EVEN (E Voting Event Number)	USER ID	PASSWORD/ PIN

NOTE: Person attending the Meeting is requested to bring this Attendance Slip and Annual Report with him/her. Duplicate Attendance Slip and Annual Report will not be issued at the Annual General Meeting.

Value through values

Sangam (India) Limited

(CIN: L17118RJ1984PLC003173)

Registered Office: Atun, Chittorgarh Road, Bhilwara - 311 001 (Rajasthan) Ph.: +91 1482 305000 Fax: +91 1482 304120,
Email: secretarial@sangamgroup.com, website: www.sangamgroup.com**PROXY FORM**

Name of member(s)
Address
Email ID
Client Id/ Folio No.
DP ID

I/we, being the member(s) of _____ shares of the above named company, hereby appoint:

1. Name: _____
Address: _____
E-mail ID: _____
Signature: _____, or failing him/her
2. Name: _____
Address: _____
E-mail ID: _____
Signature: _____, or failing him/her
3. Name: _____
Address: _____
E-mail ID: _____
Signature: _____, or failing him/her

as my/ our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 30th Annual General Meeting of the Company to be held at "Sangam House", Atun, Chittorgarh Road, Bhilwara-311001 (Rajasthan) on Friday, the 30th September, 2016 at 4:00 PM and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	* Optional	
		(For)	(Against)
Ordinary Business			
1	Adoption of Financial Statements for the year ended 31st March, 2016		
2	Approval of dividend for the financial year 2015-16		
3	Re-appointment of Shri R. P. Soni, who retires by rotation		
4	Appointment of statutory auditors and fixing their remuneration		
Special Business			
5	Approval for ratification of continuation of Shri R. P. Soni, Wholetime Director after attaining Age of seventy year		
6	Approval of Remuneration to the Cost Auditors		
7	Adoption of new Articles of Association of the Company containing regulations in conformity with Companies Act, 2013		
8	Approval of related party transactions with Related Parties		
9	Approval for service of document u/s 20 of Companies Act, 2013		

Signed this _____ day of _____ 2016.

Signature of first Proxy holder(s)

Signature of second Proxy holder(s)

Signature of third Proxy holder(s)

Affix a ₹ 1
Revenue
Stamp

Notes: 1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. 2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 30th Annual General Meeting. 3. It is optional to put a "X" in the appropriate column against the Resolutions indicated in the box. If you leave the "For" or "Against" column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate. 4. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

Signature across the stamp

Corporate INFORMATION

AUDITORS

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

BANKERS

State Bank of India
State Bank of Patiala
State Bank of Hyderabad
State Bank of Bikaner & Jaipur
Bank of Baroda
Corporation Bank
IDBI Bank Ltd.
Oriental Bank of Commerce
Union Bank of India
Punjab National Bank
Export Import Bank of India

REGISTERED OFFICE

Atun, Chittorgarh Road, Bhilwara - 311001, Rajasthan
Tel No.: 01482-305000, 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,
Bhilwara – 311 024, Rajasthan

Spinning Unit-III

N.H. 79, Village Soniyana,
Tehsil : Gangrar - 312 901
Chittorgarh, Rajasthan

Weaving, Processing & Seamless Garment Unit

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

Denim Unit

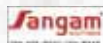
Village Biliya Kalan, Chittorgarh Road,
Bhilwara – 311 001, Rajasthan



Value through values

Sangam (India) Limited

www.sangamgroup.com



If undelivered, please return to:

Sangam (India) Limited

Post Box No. 90, Atun, Chittorgarh Road
Bhilwara - 311001, Rajasthan, India