

SANGAM (INDIA) LIMITED

ANNUAL REPORT

2020-21



Value through values



**GOING FORWARD,
GROWING FORWARD**

ACROSS THE PAGES

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is available online at:
<https://www.sangamgroup.com/financials.php>

Scan this QR code
to navigate investor related information

Investor Information

Market Capitalisation as at 31 st March, 2021	: ₹ 323.49 Crore
CIN	: L17118RJ1984PLC003173
BSE Code	: 514234
NSE Symbol	: SANGAMIND
Bloomberg Code	: SNGM:IN
AGM Date	: Thursday, 23 rd September, 2021
AGM Venue/Mode	: Video Conferencing/Other, Audio Visual Means (OAVM)

Disclaimer :

This document contains statements about expected future events and financials of Sangam (India) Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

GOING FORWARD GROWING FORWARD

On the road to success, what matters more than a long leap is sheer persistence and consistency.

At Sangam, we have always emphasised growing continually. The last few years have witnessed us grow at a phenomenal rate as we embarked upon various programmes that aligned our growth plans with our targets. Our strategic blueprint has always encompassed an overall advancement despite challenges.

Over the years, our concentration has been on empowering small, cross-silo teams to grow as we go. We believe it is essential to keep evolving from who we were yesterday and adopt new technology to improve tomorrow's performance.

The year that went by sure tested our resilience and adaptability. But it testified as a period that demonstrated our capabilities. It was a year that perfectly showcased our strong foundation, and our performance was proof of how we have been

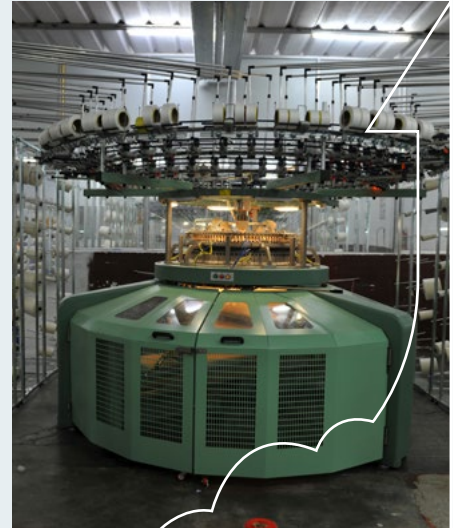
Going Forward while **Growing Forward**.

WHO WE ARE

Sangam (India) Limited:

- ✓ One of the largest manufacturer of PV-dyed yarn in India
 - ✓ A brand renowned for its high quality, trendy designs and textures for great comfort
 - ✓ A company focussed on growing its customers' business
 - ✓ An organisation committed to foster trusted client relationships and to enhance stakeholders' value
 - ✓ A team with an unwavering resolve of getting better each day
- quality, which is a testament to the Company's research and development prowess, manufacturing efficiencies and strong understanding of consumer preferences.
- ✓ Founded in 1984 under the exemplary leadership of Shri R. P. Soni
 - ✓ Manufacturing facilities located in Bhilwara and Chittorgarh in Rajasthan

Sangam (India) Limited's ('SIL' or 'The Company' or 'We') textile solutions are distinguished by unmatched premium



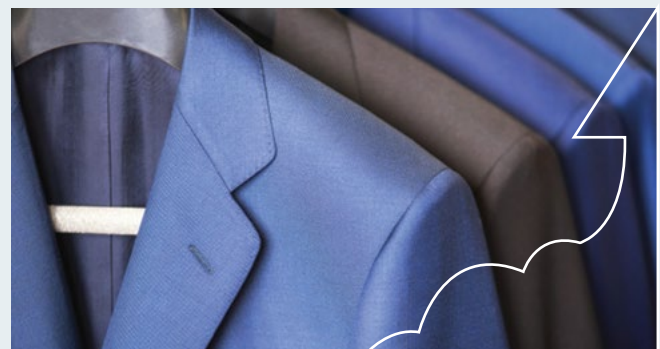
WHAT WE DO

SIL is an integrated textile player. Our product offerings – Yarn, Woven Fabric, Denim Fabric and Garments – span the value chain.



HOW WE SERVE

Our constant endeavour is to meet our customers' dynamic and evolving preferences and alter market conditions through state-of-the-art production facilities.



WHERE WE ARE

Our textile division is located at Bhilwara and Chittorgarh, Rajasthan.



Quick Facts

13.6 Crore meters

Denim Fabric Manufactured
in Last Five Years

12.1 Crore meters

Woven Fabric Manufactured
in Last Five Years

0.8 Crore Pcs.

Garment Manufactured
in Last Five Years

25% Share

PV Dyed Yarn Produced
in India

85,500 MTPA

Yarn Production Capacity

78 MMPA

Fabric Production Capacity

9,500+

Employees

₹ **1,354** Crore

Revenue in 2020-21

50+ Countries

Export presence



CHAIRMAN'S MESSAGE

“ While there remains uncertainty in the current times, our commitment to creating a healthy future for our employees, the communities we serve, and value we create for all our stakeholders even as we walk this path, our simple motto is to continue going forward despite all the adversities and, also keep growing forward.”

Dear Shareholders,

I hope this letter finds you and your families safe and healthy.

For quite some time now, we have all been trying to cope with complex conditions. At this critical juncture, we extend our support to our employees and request everyone to remain psychologically strong, guard against cynical despair and stay united in our shared sense of purpose. Together, we will overcome this crisis.

While the first half of FY21 was dominated by the labour shortage, logistic disruptions and restricted operations, the initiatives undertaken by Central and State Governments, RBI and other regulatory authorities offered significant support in the second half of the year. Even though the pandemic paralysed us for six months, the crisis only made us stronger and smarter in managing our lives and business operations. It has compelled us to innovate, take the initiative and become more resilient for the future.

As they say, the darkest hour is before dawn, and we are already beginning to glimpse early signs that give rise to cautious optimism. The declining trend in cases across states and the potential of the vaccine deployment picking up speed should make us optimistic about the future.

The Union Budget announcement to launch seven mega textile parks will enable the textile industry to attract large investments, employment generation, and become globally competitive. This announcement is anticipated to significantly boost the Indian textiles sector. The announced

schemes are expected to create world-class infrastructure, with plug-and-play facilities to enable and create global champions in exports. With the large international buyers already looking at increasing their sourcing from India, the formation of these textile parks will help India gather a bigger share of the apparel and textile export trade.

As Sangam continues its transformational journey towards fuelling growth, we have done so by becoming a truly environmentally conscious and sustainable organisation. Our focus is on all aspects of the society, with a strong governance framework. The Company continued to traverse through the challenging times during the Covid-19 pandemic, taking active steps towards business risk mitigation – ensuring safe, sustainable, and timely response across the operations.

Our major focus has been on developing the best quality yarn, fabrics and readymade garments with global scale manufacturing capacity and innovation. Our robust foundation, rich expertise and wide presence have improved our competitiveness across the globe. In our quest to deliver distinctive styles, comfort, and complete textile solutions, we focus on giving the customers an extraordinary brand experience. With our flagship brand, C9 Airwear, we cater to the rising demand for seamless garments and build a solid customer base.

During the year under review, the net revenue reported were ₹ 1353.55 Crore in 2020-21 and in previous year 2019-20 ₹ 1782.97 Crore. Net EBITDA and Net Profit were ₹ 126.77 Crore and ₹ 5.38 Crore, respectively, in

2020-21. Pandemic-induced lockdown circumstances impacted margins of the Company to some extent.

Our primary priority at the moment was to safeguard our people. We immediately adopted Covid-19-appropriate behaviour at work and in the community to slow the virus from spreading and, in any manner, help accelerate the nation's economic pace.

On the governance front, Sangam has ensured that the company has a diverse Board. This way, we ensured that different perspectives led to healthy and mindful decisions for the Company's betterment. The Board also has a fair share of Independent Directors, who constantly guide the Company to improve its governance and transparency standards. The management has also been very proactive and forthcoming in regularly communicating with shareholders to provide timely updates.

While there remains uncertainty in the context of a third or even a fourth wave, our commitment to creating a healthy future for our employees, the communities we serve, and our planet has only become stronger. And even as we walk this path, our simple motto is to continue going forward despite all the adversities and, in the process, also keep growing forward.














I'd like to express my gratitude to all our stakeholders for their continuous faith in the brand and support. It was truly encouraging and aided us in continuing our fight against the pandemic in these difficult circumstances.

Best Wishes,

R. P. Soni

Chairman

Growing through our BUSINESS MODEL

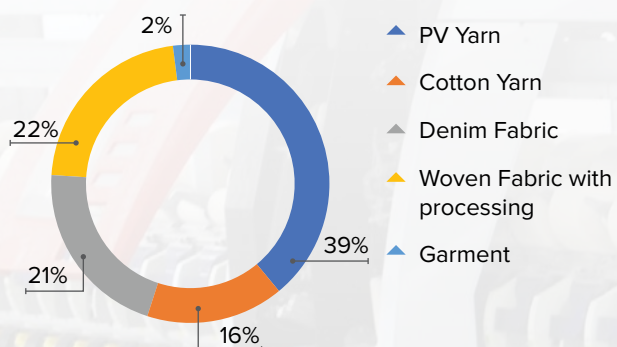
INPUT	PROCESS
 <p>FINANCIAL CAPITAL Our Competitive Edge</p> <p>Adequately funded with equity and debt</p> <p>How we create and sustain value Strategic focus enabled growth without increasing leverage and achieving cost rationalisation through operational efficiency</p>	 <p>VISION</p> <p>At Sangam, we strive to build enterprises driven by excellence which maximises customer satisfaction and create value for all stakeholders.</p>
 <p>MANUFACTURED CAPITAL Our Competitive Edge</p> <p>Best-in-class infrastructure and quality</p> <p>How we create and sustain value State-of-the-art production facilities help manufacture high-quality fabric</p>	 <p>MISSION</p> <p>To maximise customer value and expand customer base with a focus on consumer business segment while keeping pace with changes in the external environment.</p>
 <p>BRAND CAPITAL Our Competitive Edge</p> <p>Widespread distribution network</p> <p>How we create and sustain value Working with exclusive brands that Offer the latest designs, resulting in the best fashion and comfort</p>	 <p>VALUES</p> <p>Commitment</p> <p>We are committed to foster trusted client relationships and to enhance stakeholders' value. We enable others to trust us by delivering on our accountabilities and stand by decisions when they are made. We expect to follow ethical business practices with complete transparency and open communication.</p>
 <p>INTELLECTUAL CAPITAL Our Competitive Edge</p> <p>R&D expertise</p> <p>How we create and sustain value</p> <ul style="list-style-type: none"> Entry into manufacturing of seamless garments and launching our brand, 'C9' Innovative product and efficient quality control 	 <p>Integrity</p> <p>We carry our responsibilities in honest and trustworthy manner. We expect to uphold high standard of conduct and to have integrity in all our thoughts and actions.</p>
 <p>HUMAN CAPITAL Our Competitive Edge</p> <p>Specialised Workforce</p> <p>How we create and sustain value</p> <ul style="list-style-type: none"> Generating value from employee skills Low attrition rate 	 <p>Professionalism</p> <p>We expect to conduct ourselves in professional manner even in the most challenging circumstances.</p>
 <p>SOCIAL AND RELATIONSHIP CAPITAL Our Competitive Edge</p> <p>Encouraging relation with stakeholders</p> <p>How we create and sustain value</p> <ul style="list-style-type: none"> Trust, transparency and value creation for stakeholders Positive impact on the community 	 <p>Quality</p> <p>Our endeavour is to provide high-quality products and adhere to world-class standards.</p>  <p>Adaptability</p> <p>We remain steadfastly adaptable to changing dynamic environment.</p>

OUTPUT	OUTCOME
₹ 1,354 Crore Sales + 9.4% EBITDA margin	<ul style="list-style-type: none"> ✓ Debt reduction and low dependency on loans ✓ Savings on interest cost
4 Product categories 4 Cutting-edge facility	<ul style="list-style-type: none"> ✓ Strengthened customers' confidence ✓ Efficiently managed supply chain, resulting in low logistics cost ✓ Improved market share
4 Renowned brands 36 Years of Legacy	<ul style="list-style-type: none"> ✓ Strong brand recall ✓ Rich heritage
4 Patents Developing New products Upgraded technology	<ul style="list-style-type: none"> ✓ Stood ahead of the technological curve ✓ Improved operational efficiencies by streamlining processes
~ 10,000 Total Employees	<ul style="list-style-type: none"> ✓ Low attrition rate ✓ Low operational accidents ✓ Improved quality and productivity ✓ Optimally used human resource

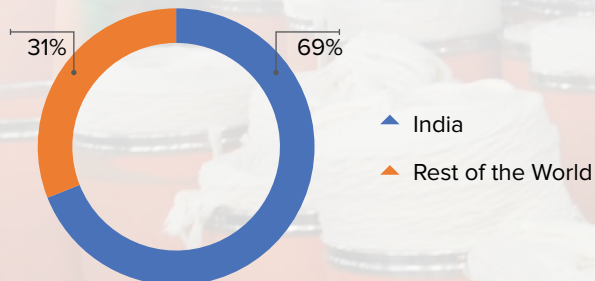


GROWING EFFECTIVELY THROUGH OUR FINANCIAL CAPITAL

Segment-wise Sales Contribution (2021)



Geographical Distribution of Revenues (2021)





Going places with our

MANUFACTURED CAPITAL

MANUFACTURING FACILITIES

Location	Facilities
Atun, Bhilwara	Weaving, Processing & Garment Unit
Biliya Kalan, Bhilwara	Denim Weaving & Processing Unit
Biliya Kalan, Bhilwara	Spinning Unit-I
Sareri, Bhilwara	Spinning Unit-II
Soniyaana, Chittorgarh	Spinning Unit-III

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We are proud to be part of this illustrious history of textiles in India. SIL's branded textile segment, which is the Company's flagship business, enjoys a commanding presence in the Indian market as a branded player.

Backed by the robust demand for our fabric across Tier 1 to Tier 6 towns, our business has been on a consistent roll with new products and services that cater to customers' changing needs, preferences, and aspirational styles.



Growing our value through our

BRAND CAPITAL

OUR RENOWNED BRANDS

- ✓ SANGAM YARNS
- ✓ SANGAM SUITINGS
- ✓ SANGAM DENIMS
- ✓ C9 AIRWEAR

THE AIRWEAR TECHNOLOGY FACTOR:

SEAMLESS TECHNOLOGY

ALL THE CLOTHES AT C9 ARE ENGINEERED WITH SEAMLESS CP TECHNOLOGY.

4-WAY STRETCH

C9'S 4-DIRECTIONAL STRETCH TECHNOLOGY ALLOWS EXCELLENT FLEXIBILITY AND COMFORT WHILE WORKING OUT AT THE GYM.

BREATHABLE FABRIC

ALL THE CLOTHES ARE LIGHTWEIGHT AND DESIGNED WITH EASY BREATHE-THROUGH TECHNOLOGY TO GIVE THE CUSTOMER AN 'ALL DAY FRESH' FEELING. ALLOWS EXCELLENT FLEXIBILITY AND COMFORT WHILE WORKING OUT AT THE GYM.

ANTI-CHAFING

SOFT BANDS USED IN GARMENTS HELP MINIMISE THE FRICTION BETWEEN SKIN AND THE ELASTICS.

RAPID DRY

THE BREATHABLE FABRIC ALLOWS CLOTHES TO QUICKLY DRY THE MOISTURE AND PROTECT THEM FROM RASHES AND CHAFING.

4.0 Million

Pieces Seamless Garment Knitting Production Capacity Per Annum

Over the years, through our consistent fulfilment of commitments to our customers, we have successfully built a brand name that is known for the value it holds and creates. Our name generates distinctive recalls for pioneering (new product introduction), quality, dependability (client welfare) and accessibility (grievance redressal) it offers. Our pioneering strategies' and brand-led growth have helped us build a strong and differentiated business.

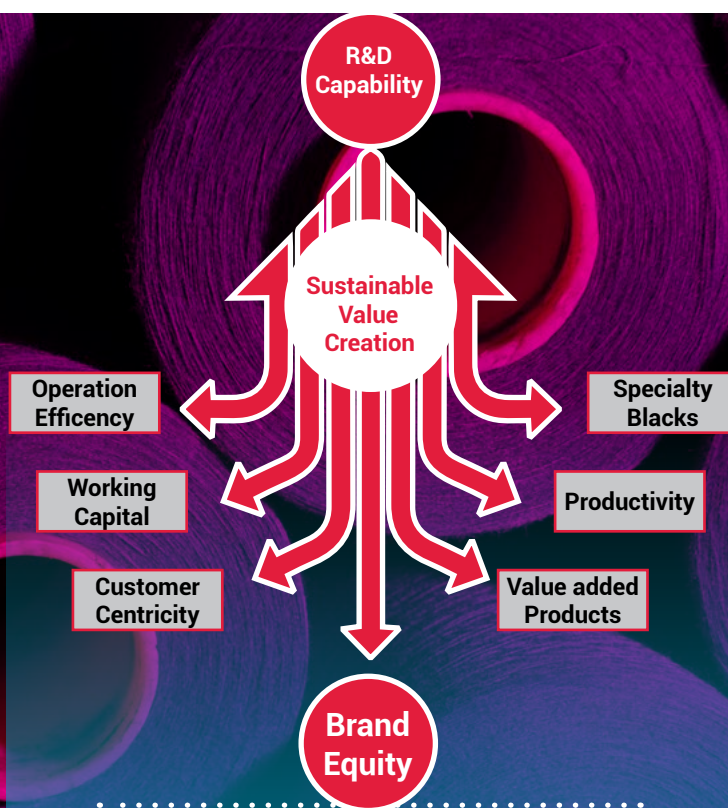




Value through values

Going the road less travelled through our

INTELLECTUAL CAPITAL



Our quality and innovation are more than just business strategies for us. These sit at the core of our DNA and define who we are, guiding our sustainable value creation journey.

In a dynamic business environment with changing regulations, emerging customer segments, ever-evolving technologies, and innovation have served as catalysts in product and process development.

Ever since we began our journey, innovative thinking has been at the heart of our value-creation process. We challenge the status quo, design, and develop breakthrough ideas and enrich our product portfolio to cater to evolving customer aspirations. We embed refreshing ideas into every facet of our business, taking insights from our customers, investors, community and other stakeholders. This approach is closely interwoven with our sustainability priorities. Through the expansive prism of differentiated thinking, we see tomorrow to touch and enrich life in more ways than one.



Growing our prospects through our **HUMAN CAPITAL**



CULTURE OF COACHING

OUR COACHING CULTURE IS DRIVEN BY THE PROCESS OF BIG IDEAS, BUSINESS THEMES, METHODS, OBSTACLES, AND MEASURES. OUR MANAGERS FREQUENTLY CONDUCT ONE-ON-ONE DISCUSSIONS WITH THEIR RESPECTIVE TEAMS TO PROPEL OUR PEOPLE'S PERFORMANCE AND DEVELOPMENT.

TRAINING ACADEMY

OUR TRAINING PROGRAMME IS AIMED AT BUILDING THE TECHNICAL CAPABILITIES OF OUR EMPLOYEES. THEY ARE GROOMED ON RELEVANT FUNCTIONS AND BUSINESS PROCESSES TO DEVELOP THEIR HOLISTIC VIEW OF THE BUSINESS. THE SOLE OBJECTIVE OF THIS PRACTICE IS TO FOSTER AND ENRICH SIL'S IN-HOUSE TALENT POOL.

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The spectrum of the quality and innovation we offer and our business growth is powered by our people. We follow the philosophy of focussing on leadership, culture, capabilities, demography, and reward for our people. The Company's top-down approach has helped in driving a customer centric-approach while building a global mindset. This is further bolstered with our environment that accommodates diverse perspectives towards problem-solving.





Value through values

Growing with our communities through our

SOCIAL AND RELATIONSHIP CAPITAL

EDUCATION

WITH AN OBJECTIVE TO PROVIDE ACCESSIBLE WORLD-CLASS EDUCATION TO ALL, SIL STARTED 'SANGAM UNIVERSITY IN THE YEAR 2012-13 AS PER RAJASTHAN STATE LEGISLATIVE ASSEMBLY ACT NO. 12 OF 2012, RECOGNISED BY UGC UNDER THE UGC ACT, 1956. MOREOVER, THE COMPANY HAS ALSO SET UP THE INSTITUTE OF TECHNOLOGY AND MANAGEMENT FOR ENGINEERING AND MBA STUDENTS WHICH IS APPROVED BY THE AICTE AND THE GOVERNMENT OF RAJASTHAN. WE ALSO RUN THE SANGAM SCHOOL OF EXCELLENCE, AN ISO 9001:2008 CERTIFIED SCHOOL WITH ULTRA-MODERN EDUCATION FACILITIES AND IS AFFILIATED WITH CBSE AND IB (IGCSE).

HEALTHCARE

WITH THE INTENT OF PROMOTING GOOD HEALTH, WE HAVE SET UP SMT. KESAR BAI SONI MEMORIAL HOSPITAL & RESEARCH CENTRE. THE HOSPITAL IS EQUIPPED WITH ALL THE LATEST HEALTHCARE AND TELE-MEDICINE FACILITIES.

ENVIRONMENT

AS AN AWARE AND RESPONSIBLE CORPORATE CITIZEN, WE HAVE PLACED AN EFFLUENT TREATMENT PLANT AND WATER CONSERVATION FACILITY AT OUR MANUFACTURING PLANTS. TO CONSERVE THE ENVIRONMENT, WE HAVE ALSO PLACED 5 MW WIND ENERGY AND 13 MW SOLAR ENERGY PLANT.

ENHANCING VALUE FOR STAKEHOLDERS CUSTOMERS

- ✓ ENHANCING CUSTOMER COMPETITIVENESS
- ✓ QUALITY PRODUCTS
- ✓ COLLABORATIVE PRODUCT DEVELOPMENT

SHAREHOLDER AND INVESTORS

- ✓ TRANSPARENT AND TIMELY REPORTING
- ✓ ATTRACTIVE MARKET CAPITALISATION GROWTH
- ✓ FOCUS ON FREE CASH GENERATION
- ✓ PROFITABLE GROWTH

GOVERNMENT AND REGULATORY BODIES

- ✓ COMPLIANCE WITH REGULATIONS
- ✓ RESPONSIBLE AND ETHICAL BUSINESS OPERATIONS

EMPLOYEES

- ✓ REGULAR TRAINING AND DEVELOPMENT OPPORTUNITIES
- ✓ COMPETITIVE REMUNERATION
- ✓ RECOGNITION AND REWARDS

COMMUNITY

- ✓ ENVIRONMENTALLY SAFE OPERATIONS
- ✓ RESPONSIBLE AND ETHICAL CONDUCT
- ✓ CORPORATE SOCIAL RESPONSIBILITY

BUSINESS PARTNERS (DISTRIBUTORS AND VENDORS)

- ✓ OVERSIGHT AND TRANSPARENT COMMUNICATION ON VARIOUS SUPPLY CHAIN RELATED ISSUES
- ✓ TRUST AND LOYALTY

-
- ✓ Education
 - ✓ Healthcare
 - ✓ Environment

Enhancing value for stakeholders

- ✓ Customers
- ✓ Shareholder and Investors
- ✓ Government and Regulatory Bodies
- ✓ Employees
- ✓ Community
- ✓ Business Partners (Distributors and Vendors)



Growing responsibly through

GOOD GOVERNANCE



R. P. SONI
Chairman



DR. S. N. MODANI
Managing Director & CEO



V. K. SODANI
Executive Director



ANURAG SONI
CFO & Whole Time
Director



ACHINTYA KARATI
Independent Director



**DR. T. K.
MUKHOPADHYAY**
Independent Director



JYOTI SHARMA
Independent Director



**YADUVENDRA
MATHUR**
Additional Director



MANAGEMENT DISCUSSION AND ANALYSIS



GLOBAL ECONOMY

The year 2020 came with an unforeseeable challenge: COVID-19. Owing to the various lockdowns and trade restrictions, the global economy contracted by an estimated 3.3% in 2020-21. Although quarantine measures helped fight the pandemic, they also directly affected economic activities, both globally as well as domestically. As a result, a drop in external demand, capital flow reversals, and a collapse in commodity prices was observed.

Governments across the world reinforced monetary policies and financial aid to counter the effects. IMF has projected the global economy to grow at 6% in 2021-22, before moderating to 4.4% in 2022-23. The growth rate is, however, extremely volatile. The direction of future growth will be determined by various factors, including but not limited to, the path the pandemic takes, how effective the vaccines are, how efficiently Government's reforms limit long-term economic damage, the evolution of financial circumstances, and commodity prices, as well as the economy's ability to respond.



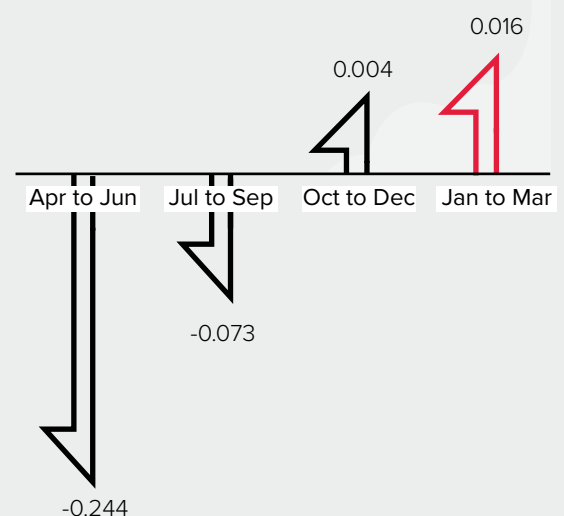
INDIAN ECONOMY

The Indian economy shrank by 7.3% in 2020-21. The first lockdown hit India in April 2020, wherein the Central government declared a national restriction on movement of non-essential goods and activities. As the economy slowly opened up with the number of cases declining, there was a quick V-shaped recovery. However, given the second wave and the state-run lockdowns that were witnessed in March 2021, the ill effects were aggravated.

The economy received support from significant policy actions by the apex bank and the Government. It helped stimulate demand while fulfilling obligations for social security. The apex bank facilitated liquidity, provided regulatory support in the form of moratorium on loans and maintained an accommodative monetary policy. Despite breaching its inflation target of 2% to 6%, the RBI pursued unconventional monetary policies to reduce interest rates through open market operations, asset buyback, and the Government securities acquisition program (G-Sec).

GDP Growth (India)

2020-21



Source : [India: The economic pathway (Care Ratings)]

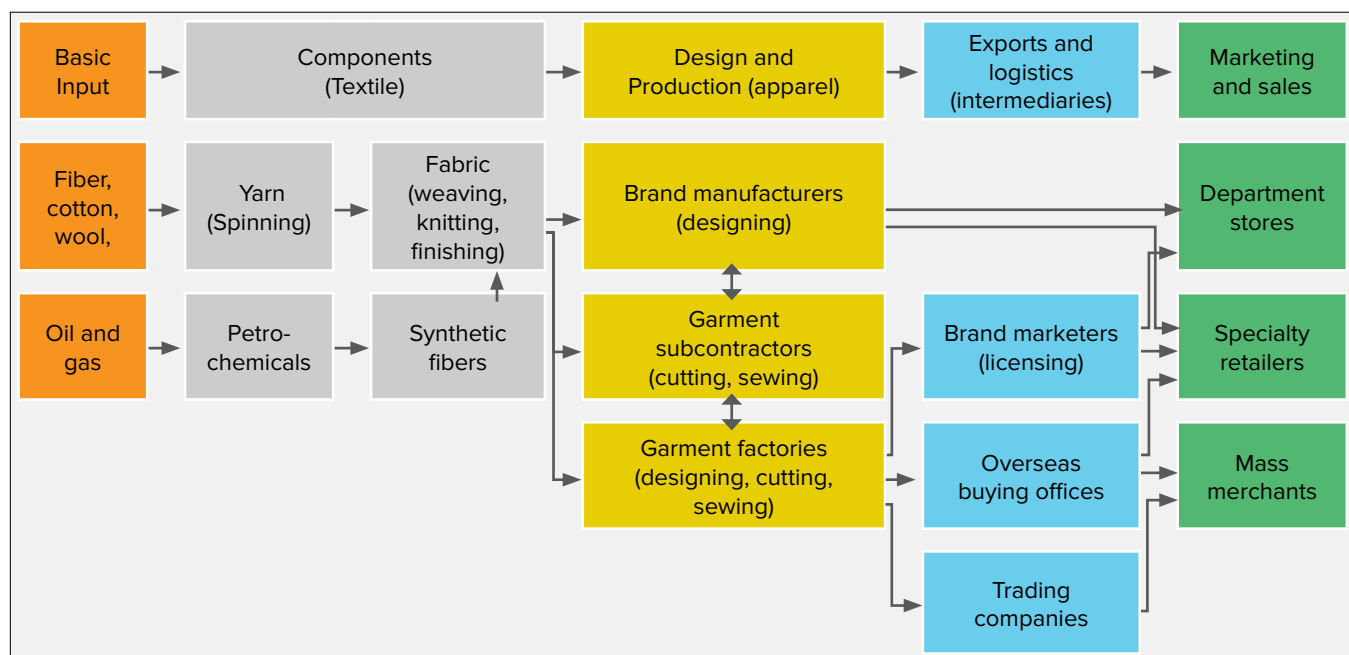
OUTLOOK

Despite the extreme circumstances, the industry began to witness early signs of economic resurrection in the second half of the year with several high-frequency indicators suggesting that the economy was back to a positive growth track.

India is expected to become one of the world's top three economies over the next decade, attributable to its human

capital and strategic alliances. Based on recent forecasts, India is set to reclaim the title of the fastest-growing economy in the world. RBI has forecasted India's 2021-22 GDP at 9.5%. India has, however, been hit by a second wave of COVID-19, disrupting economic activities in several metro cities, making crisis management crucial for recovery.

TEXTILE AND APPAREL-VALUE CHAIN



Source: Industry sources, Antique

GLOBAL TEXTILE AND APPAREL INDUSTRY

The global textile and apparel industry has witnessed a long-drawn transformation over the decades. The industry was predominantly concentrated in places like the United States and the European Union (EU) due to vast availability of raw materials and technological capabilities. However, given the function's labour and power-intensive nature, it has undergone structural transformation over the last four decades, with the manufacturing share shifting to developing economies like China, India, Bangladesh, and Vietnam, which together account for 50% of the global production of textiles and apparels. These Asian countries have developed themselves over the years to become competitive in the niche. While China dominates the synthetic space, India has a lead in the value-added garment segment in women's category and cotton-based

raw materials like fibre and yarn. Bangladesh is the go-to garment factory of the world, and Vietnam is a value-added manufacturer for synthetic garments' category.

It may take a few years for the textile consumption figures to reach their pre-pandemic levels, and the numbers may be able to reposition at USD 2,007 Billion by 2024-25. COVID-19 has accelerated digital tech adoption by several years, with many modern fashion firms quickly transitioning to digital platforms, the industry will be able to provide a distinct experience to consumers. With the pandemic-caused virtual push, the global online fashion sales increased from 16% to 29% of the total fashion sales. The growing popularity of online shopping could aid the apparel industry's recovery and expansion. Brands expect their online businesses to grow by 20% or more, globally, by 2021-22.

INDIAN TEXTILE AND APPAREL INDUSTRY

The textile and apparel industry plays a pivotal role in the Indian economy through its significant contribution to the country's industrial output, employment generation, and export earnings. This industry accounts for 2% of the Gross Domestic Product (GDP) and over 13% of export earnings. The textile and apparel industry employs about 45 Million direct labour in its workforce and 60 Million in allied sectors, making it the largest source of industrial employment in India. COVID-19 impacted the industry in a way no one saw coming. There were production halts, severe supply chain disruptions, and market closures, resultant from the pandemic-infested lockdowns across both small and large economies. The Indian economy, too, went under a financial

and logistical slowdown, which further affected the Indian textile sector.

Considering the significant impact of COVID-19 on the Indian textile value chain, the sector needs to recalibrate its approach to business. India's e-commerce sales grew amidst the pandemic, including that for apparel, which in turn helped tickle finances in traditional garment space despite the pandemic. It also helped producers, who were restricted to local markets, to expand their outreach. The market is expected to recover and report a whopping 10% CAGR from 2019-20 to the financial year 2025-26, by when, it is also expected to be worth USD 190 Billion.



OUTLOOK

India's ability to respond to the growing demand in comparison with other textile marquee

Parameter	India	China	Vietnam	Bangladesh	Ethiopia
Raw Material Availability					
Skilled Labour					
Large and Growing Domestic Market					
Complete Value Chain					
Availability of Readymade Infrastructure					
Large Scale Capacity					
Preferential Access in Specific Market					
Presence of Large Integrated Players					
Social, Political & Economic Stability					

Source: Industry sources, Antique

Apart from China, no other country except India possesses an end-to-end capability in the textile value chain. The trade war between US and China and post-pandemic sentiment for China, would both present India with opportunities of growth in the export markets. This, coupled with strong domestic market growth driven by favourable macros (rising urbanisation, increasing disposable income of middle

class etc.), presents a structural growth runway for the industry. However, these set of opportunities will require hand-holding on the policy and reforms (both domestic and international such as favourable FTA pacts) and sheer will from industry players to grab the underlying opportunity with both hands.

COTTON TREND

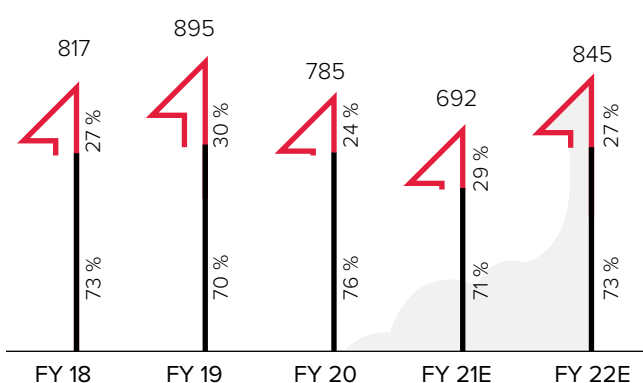
Cotton production has been a primary business activity in the subcontinent for over thousands of years. India is the largest producer of cotton in the world and the 2nd largest producer of polyester, which together form 84% of the raw material base for textile and apparel industry. The abundance of raw material has led to industrial development in India throughout the value chain and product basket, resulting in a competitive position that the nation commands today in the global landscape.

Cotton is among the biggest and most profitable exports of India, with major export destinations being the US, Bangladesh, China, Vietnam, Indonesia, Taiwan, and Thailand, among others. Bangladesh has been the largest importer of Indian cotton since 2014-15.

COTTON YARN

Like other industries, the cotton yarn industry, too, suffered because of the pandemic. During the start of the fiscal year, the textile mills' production came to a halt due to the continuing lockdown in various states. As a result, the demand for cotton and yarn dipped. Owing to the pandemic, the supply chain had to accommodate to break even. Changes were made throughout the chain, starting with production control. For instance, mills, which earlier operated for two shifts, were now running single shifts only. Almost all the spinning mills have cut 40% of cotton yarn production. However, capacity utilisation increased swiftly, over 90%, during the third quarter of 2020-21, and is expected to sustain at healthy levels in the next fiscal too.

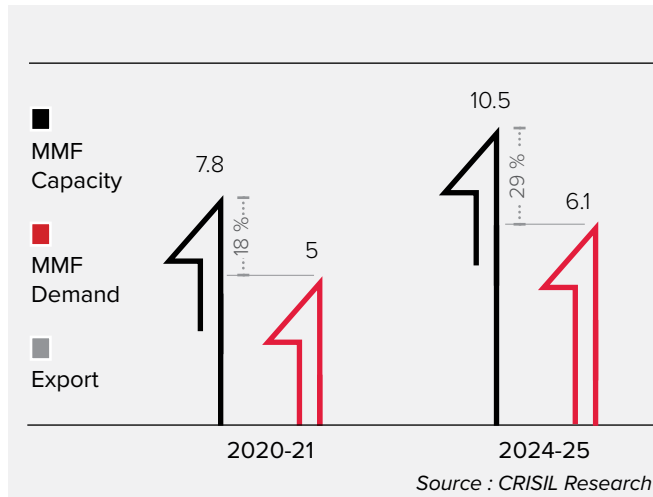
Cotton Yarn Market (INR Billion)



Source : CRISIL Research

MANMADE FIBRE

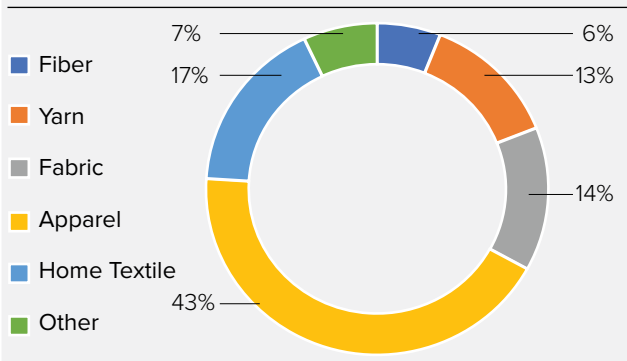
The Indian Manmade Fibre (MMF) textile industry is thriving and expanding. India now produces practically all types of synthetic fibres, including polyester, viscose, nylon, and acrylic and hence, has a competitive advantage over other countries. India is currently the world's 2nd largest manufacturer of polyester and viscose. MMF textile industry in India is self-reliant across the value chain right from sourcing raw materials to the final stage of garmenting.



MMF production is likely to register USD 430.66 Million in sales figures in June 2021, with a CAGR of 8% as compared to USD 271.39 Million in December, 2020.

Factors such as increasing use of non-woven and technical textiles, changing consumer trends including increasing emphasis on fitness and hygiene, rising brand consciousness, fast-changing fashion trends, and rampant female participation in the workforce, will further boost the demand for manmade fibres.

Export



Source : Wazir report, Antique

The sector has established itself as a significant exporter of a wide range of textile and apparel items, including cotton yarn, natural and synthetic fibres, silk-based textiles, knitted apparel and accessories, and so on. India is the 5th largest exporter of textile and apparel (T&A) in the world. The industry is of vital importance to the Indian economy. Major textile and apparel export destinations for India are EU-28 and USA, with 43% share in total textile and apparel exports.

GROWTH DRIVERS

- Abundance of raw material
- Rising disposable income, discretionary spending
- Presence of entire value chain
- E-commerce and growing influence of social media due to wide availability of smartphones and high-speed internet
- Entry of international players across various retail segments
- Supply side innovations, improved manufacturing capabilities, efficient warehousing & distribution, leveraging technology
- Easy and on-demand availability of credit
- Growing urbanisation, participation of women in work force
- China losing its competitive edge to India

THE GOVERNMENT INITIATIVES

Being one of the largest employment generating sectors and a major contributor to India's forex earnings, the sector holds crucial socio-economic poise in the national manufacturing landscape. Owing to its strategic importance in the country's economics, the Government of India (GOI) has taken several measures to help the industry cope with the pandemic's damage. These measures include:

- Production Linked Incentive Scheme (PLI Scheme) - Worth 106 Billion for manmade fibre (MMF) and technical textiles
- Mega Integrated Textile Region and Apparel (MITRA) Park Scheme- Aiming to establish 7 textile parks over a three-year period
- An MOU between textile committee, India and M/s Nissenken Quality Evaluation Centre, Japan- for quality assessment of Indian textiles and generating clothing for the Japanese market
- Amended Technology Upgradation Fund Scheme (ATUFS) – With a vision to enable technology upgradation in T&A sector by providing capital investment subsidies across different segments of the textile value chain
- Integrated Processing Development Scheme (IPDS) – Structuring the textile processing sector to meet environmental standards through appropriate technologies including marine, riverine, and Zero Liquid Discharge (ZLD).

OPPORTUNITIES

- Online shopping platforms:
Increased penetration of internet and smartphones has changed the way companies market their products, enabling them to encash wider markets, reach more customers, and realise better sales.
- Exploring untapped markets of global textile and apparel industry:
Out of top-20 T&A global markets, India has lesser than 3% share in the globe's total T&A exports. This clearly hints at the wide potential of untapped markets, which also offer higher profitability and a tremendous opportunity to local exporters as well as India's export numbers. With manufacturing excellence, Indian manufacturers & exporters can position themselves distinctively to compete in these markets.
- Diversification of product portfolio:
Indian exports are in the process to meet global demand. The alignment may be gradual but it is sure to come with the local producers and exporters venturing into diversified servings of products. Keeping pace with the requirements of buyers in export markets and being responsive - both, would help exporters to have better competitiveness.



CHALLENGES



- ✓ Shortage & Pricing issues of raw material:
Environmental concern has triggered shutting down of units in China and Europe, which is building up to a hike in prices of basic raw materials in international markets. With the prices going up, sourcing and supply is getting more difficult.
- ✓ Infrastructure bottlenecks:
India's infrastructure continues to lag behind that of many other Asian countries, which could disproportionately throw China's consumers to India's competitors, leading to sale ingestion.
- ✓ Unorganised weaving sector:
Approximately 95% of the weaving sector in India is unorganised in nature. The decentralised power loom and hosiery sector contributes to 85% of India's total fabric production. In terms of technology adoption in the weaving sector, India only has a scanty 2% share in the global installed capacity for shuttle-less looms.

The Indian denim industry has undergone a transformation, with respect to its delivered quality over the previous decade. Denim production capacity in the country is currently around 1.1 billion metres per year. Indian denim industry, which has been growing 15% annually for the last five years, is expected to be worth ` 54,600 crore by 2023. Growing denim manufacturers around the world are eyeing India as a potential denim export market due to its first-class standards, cost-effectiveness, and a large pool of skilled labour. Younger Indians prefer denim as a wardrobe staple. The Indian production and intake prowess has remarked a CAGR of 15% over the past decade and is predicted to move forward at a similar rate in the coming years.



DOMESTIC APPAREL INDUSTRY

India's apparel industry is expected to grow to USD 135 billion by 2024-25. (Source: Indian Textile and Apparel Industry 2021, Wazir) Pandemic related restrictions brought about a paradigm shift in consumer behaviour. Consumers staying at home hastened adoption of digital shopping methods. Ubiquitous access to internet at more affordable prices and higher penetration of digital devices are influencing consumer buying behaviour. The Indian e-commerce market growth is probable, owing to a cumulative hike in the total gross merchandise value from USD 60 billion in 2019-20 to USD 99 billion by 2023-24, driven by wider assortment, qualitative focus, and convenience.



INDIAN INNER WEAR SEGMENT

The Indian innerwear market was valued at ₹ 320 billion in 2017-18 and is expected to mark a CAGR of 11% over the next decade to reach ₹ 897 billion by 2027-28 (Source: Sector report on innerwear industry, Smifs Limited)

The Indian innerwear market is primarily dominated by women's innerwear, which accounts for ~66% of the total innerwear market and ~15% of the women's apparel market. The innerwear category is one of the high-growth categories in the apparel market and promises gains. While this can be broadly attributed to the advent of multinational brands in the market place and the growth of organised retail, a host of other

variables like higher income, along with higher discretionary spending, growing fashion orientation of consumers, and product innovations by the innerwear market have turned innerwear from a traditionally utilitarian item to an essential fashion requirement. Another new trend has emerged in the industry where players are focusing on outerwear like track pants, shorts, T-shirts, and most importantly, athleisure wear. There are more than 1 Lakhs MBOs (Multi-brand Outlets) across India, which account for over ~60% of the total sales of undergarments, while the rest take place through modern trade formats like malls or online portals.

INDIAN ACTIVEWEAR SEGMENT

Indian sports apparel is expected to show a CAGR of 16.06%, considered from 2022 to 2026. With increasing disposable income and evolving lifestyle preferences, people are incorporating wellness routines in their busy lifestyles with the aim of leading a healthy life. Therefore, a rise in the number of individuals taking up sports has led to increased awareness pertaining to activewear and its benefits, thus, driving the market growth. Advancements in manufacturing technologies

could help deliver more waterproof, anti-microbial, anti-viral, and breathable fabrics. This will enhance the texture and comfort of the end activewear products, which boost revenue. Increase in trend of online shopping, along with rise in internet penetration, could project remunerative opportunities for the activewear manufacturers to market their products and reach out to a larger consumer base.

COMPANY OVERVIEW

Sangam (India) Limited is one of the largest producers of PV dyed yarns in India. Incorporated in the year 1984, the Company has its state-of-the-art manufacturing facilities located at Bhilwara, and Chittorgarh in Rajasthan. The Company is engaged in manufacturing of cotton, synthetic blended yarns, open yarn, synthetic and denim fabric weaves, cotton knitted fabric seamless garment knitting, and fabric processing. It also offers a range of woven PV fabrics, for suiting and bottom wear. The Company's flagship brands include Sangam Suiting and Sangam Denim.

Sangam is well-positioned as one of the most vertically integrated textile players across the country. It is self-sufficient in all aspects owing to its presence across the national end-to-end textile value chain. With its rich experience, quality product offerings, and strong manufacturing expertise, the Company has created a robust clientele. Its renowned client base include Banswara Syntex, Siyaram, BSL, Vimal, RSWM Limited, Arvind Limited, Trident Limited, Marks & Spencer, Reliance Trends, Zivame, Myntra, Lifestyle International, Benetton and Westside, among others.

COMPANY'S FOUNDATION

Particulars	As on 31st March, 2019	As on 31st March, 2020	As on 31st March, 2021
Spindles (Nos.)	2,38,608	2,38,608	2,36,832
Open End Rotors (Nos.)	2,376	2,376	2,376
Texturising Machines (Nos.)	3	3	3
Knitting Machines (Nos.)	22	22	22
Denim Fabric Processing Lines (Nos.)	5	5	5
Indigo Rope Dyeing Range (M/c Nos.)	1	1	1
Weaving Machines (No. of Looms)	526	524	524
Fabric Processing (MMPA)	72	72	72
Garment Processing (MTPA)	511	511	511
Seamless Garments Knitting Machines (Nos.)	36	39	44
Captive Coal Based Thermal Power Plants (in MW)	31	31	31
Captive Solar Power Plants (in MW)	6.7	12.0	13.0
Wind Power Plants (in MW) at Jaisalmer	5	5	5



Parameter	Yarn	Fabric	Garments
Revenue contribution (2020-21)	PV yarn: 39%	PV fabric: 18%	Garments: 2%
	Cotton yarn: 17%	Denim fabric: 21%	
Geographic presence (by revenue share)	Domestic: 75%	Domestic: 55%	Domestic: 100%
	Exports: 25%	Exports: 45%	
Market position	About 25% share in the Indian market for dyed PV yarn	Mid-sized payer in the highly fragmented fabric and denim market	Relatively a small player in the highly fragmented garment market
End consumer	Synthetic and cotton fabric manufacturers	Synthetic & Denim garment and apparel manufacturers	Shoppers
Demand drivers	Captive consumption by the domestic synthetic shirting and suiting segment		Increasing affordability
	Price competitiveness of PV yarn vis-a-vis cotton yarn as the incremental cost of dyeing cotton yarn makes it more expensive than dyed PV yarn.		Need for sportswear due to rising health-consciousness
	Shift in preference for apparels made from blended fabric over cotton fabric owing to better comfort (smoothness) and aesthetic (lustre and crease) properties		
	Growing preference for jeans as daily wear		

Sangam's strategic initiative, C9 Airwear, commands an established market in the women's innerwear category. The brand's offerings are leisure wear, active wear, intimate wear and shape wear, providing its products online through www.c9airwear.com and via third party portals such as Myntra, Nykaa, Amazon, Flipkart, Ajo, etc. The seamless garment production capacity stands at 40 lakh pieces per annum, with provisions for a wide range of quality textiles using cutting-edge technologies.

FINANCIAL PERFORMANCE

In view of the nationwide lockdown due to the outbreak of COVID-19 pandemic, the Company's operations at all its manufacturing units and office locations were temporarily stopped from March 22, 2020. Operations have since resumed in a staggered manner beginning April 28, 2020, with adequate precautions being taken in accordance with Government guidelines.

The Company registered a net revenue of ` 1,353.55 Crores in FY 2020-21. Challenging external environment, volatility in cotton prices and lockdown induced closure impacted the performance of the Company. The Net Operating EBIDTA of the Company stood at ` 126.77 Crores, while the net profit was recorded at ` 5.38 Crores during the year.

KEY FINANCIAL RATIOS

	Period ended 31st March, 2020	Period ended 31st March, 2021	Change in %
KEY FINANCIAL RATIOS			
Debt Equity Ratio	1.19	1.05	-11.4%
Interest Coverage Ratio	2.47	2.71	9.4%
LIQUIDITY RATIOS			
Current Ratio (Incl. Current maturities of long-term debt)	1.29	1.33	3.4%
Current Ratio (Excl. Current maturities of long-term debt)	1.39	1.53	9.5%
Debtors Turnover Ratio (no. of days)	69	82	17.9%
Inventory Turnover Ratio (no. of days)	77	103	33.0%
PROFITABILITY RATIOS (%)			
Operating Profit Margin	9.45	9.47%	0.1%
Net Profit Margin	0.75	0.40%	-46.7%
Return on Net Worth	2.49	0.96%	-61.5%

YARN DIVISION

- ✓ Location: Biliya Kalan and Sareri (Bhilwara) and Soniyana (Chittorgarh) in Rajasthan
- ✓ Products: PV-Dyed & Grey Yarn, Cotton Spun, Open-ended & Indigo Rope Dyed Yarn and Texturised Yarn
- ✓ Capacities: Biliya Kalan – 96,864 spindles, 3 Texturising

Machines, and 1 machine for Indigo Rope-dyed yarn Sareri –1,13,232 spindles, 2,376 open-end Rotors, and 22 knitting machine Soniyana – 26,736 spindles

- ✓ Contribution: 56% of the Company's total revenue

FABRIC DIVISION

PV FABRICS

- ✓ Location: Atun, Bhilwara, Rajasthan
- ✓ Products: PV fabrics and processed fabrics
- ✓ Capacity: 229 Looms for Synthetic Fabric Weaving (Capacity 30 MMPA), Fabric Processing - 72 MMPA
- ✓ Contribution: 22% of the total revenues of the Company

DENIM DIVISION

- ✓ Location: Biliya Kalan, Bhilwara, Rajasthan
- ✓ Products: Denim Fabric
- ✓ Capacity: 5 Indigo Processing Lines with 295 Looms for Denim Fabric Weaving (Capacity 48 MMPA.).
- ✓ Contribution: 21% of the total revenues

SEAMLESS GARMENT DIVISION

- ✓ Location: Atun, Bhilwara, Rajasthan
- ✓ Products: Airwear, Active wear, Leisure wear, Intimate wear, Shape wear, and Casual wear
- ✓ Capacities: 44 nos. Seamless Garment Knitting Machines (Capacity 4.0 Mn. Pcs. P.A.), Garment processing – 511 MTPA
- ✓ Contribution: 2% of the total revenues

COMPETITIVE ADVANTAGES

ROBUST BUSINESS MODEL

Sangam Group has a highly integrated business model through which it operates from yarn to branded garments. Cost optimisation and increased margins are aided by the company's flexible business model and smart tactics. Furthermore, significant capacity development has enabled the Sangam to seize possibilities in the denim and seamless garments' trajectories.

BASKET OF PRODUCT PORTFOLIO

The company manufactures a variety of apparel-oriented and textile products, starting from PV to cotton to texturized yarn. With more than 5,000 shades, we manufacture 6-50 counts of yarns.

RESEARCH & DEVELOPMENT AND QUALITY CHECKS

With in-house R&D capabilities, we conduct quality assurance tasks for procurement of top-notch yarns and fabrics. Sangam has ISO 9001:2000 certified research units, furnished with world-class and advanced quality testing equipment such as uster tester, evenness tester, and hairiness tester, which enable strict quality standards. The company continues to retain focus on our core values of trust and customer satisfaction.

COST CONTROL SYSTEM

A real-time cost control system is in place which continuously monitors its operations to remain competitive. This aids in taking proactive measures across units to improve operational efficiencies and decrease avoidable costs while maintaining quality standards.

MARKETING

An in-house dedicated team with unmatched marketing talent focuses on understanding consumer behaviour and engaging them across platforms, including both traditional and new-age digital media like Myntra, Amazon and eBay. During the year, the group altered the nature of marketing activities and reached out to customers to help them cruise through difficult times.

HUMAN RESOURCE

Sangam deeply values the people behind its success, and so, the company cherishes their dedication and relentless efforts to steer the business ahead. They have been designing its Human Resources' initiatives in line with the trends shaping the future of work places to create the best possible environment for the workforce. During the year under review, the company built on a number of initiatives to improve existing HR systems and processes as well as to develop new tools to enhance the employee experience. These efforts spanned around recruitment and employer brand, development, engagement, performance and recognition, leadership and succession. Sangam provides them with tools of continuous learning and upskilling through a structured learning and development process. The group's employee strength stood at around 9,500 as on 31st March, 2021.

RISKS & CONCERNS

The company has well-defined systems and policies in place to ensure prudent risk management across all businesses and functions. It is exposed to industry risk factors such as competition, economic cycle variables, and uncertainties in the international and domestic markets, and credit risk. The risk management system is a multi-layered process involving the entire organisation, right from the Board of Directors to the risk operators. The risk management committee oversees this entire process.

Risk	Impact	Mitigation Strategy
Economic and Market Risk	Changes in the economic environment, downturn, disruptions to conduct business (pandemic) can adversely impact the product's demand.	The Company has expanded its market and enjoys a diversified presence across various countries and business continuity plans to mitigate economy-specific risks.
Raw Material Risk	These risks arise mainly from fluctuations in market prices of raw materials which can impact overall cost of production	The Company constantly tracks cotton prices, and holds sufficient inventory, while utilising captive power plants efficiently.
Competition Risk	Intense competition can impact the Company's market share.	The Company fosters end-to-end solutions through innovative products and strong R&D.
Environmental Risk	Violating environmental regulatory obligations may effect the overall production efficiencies adversely.	The Company sincerely abides by a diverse set of laws and regulations and adheres to environmentally-conscious business models to deliver value holistically.
Forex Risk	Currency fluctuations and exposure can impact the margins of the Company.	The Company has implemented organised hedging policies and regularly monitors of the currency movement.

INTERNAL CONTROL SYSTEM

The company maintains adequate and effective internal control systems to commensurate with its size and complexity. It believes that these systems provide, among other things, a reasonable assurance that transactions are executed with management authorisation. It also ensures that they are recorded in all material, with respect to permitted preparation of financial statements in conformity with established accounting principles along with the assets of the Company being adequately safeguarded against significant misuse or loss. An independent internal audit function is an important element of Company's internal control system. This is supplemented through an extensive internal audit program and periodic review by the management and the Audit Committee of Board.

BOARD'S REPORT

To the Members

Your Directors are pleased to present the 35th Annual Report on the affairs of the Company, along with the Audited Standalone and Consolidated Financial Statements for the financial year ended 31st March, 2021.

FINANCIAL RESULTS

The audited financial statements (standalone and consolidated) prepared by the Company, in accordance with the Indian Accounting Standards [Ind AS], are provided in the Annual Report of the Company. The highlights of the Company's financial performance, for the year ended 31st March, 2021 are as follows:

(₹ in Crores)

Particulars	Standalone		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
	2020-21	2019-20	2020-21	2019-20
Revenue from Operations	1353.55	1782.97	1358.97	1790.11
Profit before Tax & Depreciation	83.95	101.17	82.56	101.19
Depreciation	80.52	81.00	80.58	81.05
Profit before Tax	3.43	20.17	1.98	20.14
Tax Expense				
Current Tax	7.24	12.32	7.24	12.32
Deferred Tax	(2.72)	(4.30)	(3.00)	(4.31)
Tax Expense for Earlier Years	(6.47)	(1.15)	(6.47)	(1.15)
Profit for the year	5.38	13.30	4.21	13.28

OPERATIONAL RESULTS AND STATE OF AFFAIRS

Standalone

The Company's Revenue from Operations during 2020-21 is ₹ 1353.55 Crores as against ₹ 1782.97 Crores during previous year.

The profit before depreciation and tax (PBDT) is ₹ 83.95 Crores during 2020-21 as against ₹ 101.17 Crores in previous year. The profit after tax of the Company is ₹ 5.38 Crores in the current year as against ₹ 13.30 Crores in previous year.

Consolidated

The Company's Revenue from Operations during 2020-21 is ₹ 1358.97 Crores as against ₹ 1790.11 Crores during previous year.

The Profit before depreciation and tax (PBDT) is ₹ 82.56 Crores during 2020-21 as against ₹ 101.19 Crores in previous year. The Profit after tax of the Company is ₹ 4.21 Crores in the current year as against ₹ 13.28 Crores in previous year.

During the year, the Company's had export revenue of ₹ 422.90 Crores as against ₹ 469.80 Crores in previous year. The exports constituted about 31% of the total revenue of the Company.

COVID-19 IMPACT

The outbreak of the deadly COVID-19 virus and the ensuing

lockdown imposed across the country affected business operations. The health of the employees and workers became a priority; stoppage of operations for an uncertain period resulted in a large financial burden on the one hand and workforce idling on the other hand. We are facing unprecedented challenges due to COVID-19 pandemic. The lockdown gave India time to make a concerted effort to flatten the outbreak curve. However, towards later part of the year consequent to significant opening of the economic activity across the nation the demand picked up compared to that during the first phase of Covid-19 pandemic.

India is experiencing a massive second wave of Covid-19 infections. However, we feel no major slow down in businesses and changes in the economic activities as the nation was better prepared to face the pandemic with partial lockdown, vaccines and well equipped health care infrastructures & testing facilities.

Moody's Investors Services said the escalating second wave of corona virus infections in India present a risk to its growth forecast of 13.7% for FY22 as the re-imposition of virus management measures will curb economic activity and could dampen market and consumer sentiment.

"The announced countermeasures to combat the second wave – some of which are due to remain in place at least until the end of June – risk weakening the economic recovery. However, the targeted nature of containment measures and rapid progress on vaccinating the population will mitigate the credit-negative impact," it added..

BOARD'S REPORT (Contd.)

TRANSFER TO RESERVE

The Board of Directors of the Company has not proposed to transfer any amount to General Reserve of the Company during the period under review.

DIVIDEND

The Board of Directors is pleased to recommend a dividend of ₹ 1.00 per Equity Share of the face value of ₹ 10/- each (@10%) for the Financial Year 2020-21 aggregating to ₹ 4.34 Crores for the approval of the shareholders at the ensuing Annual General Meeting.

SHARE CAPITAL

The paid-up share capital of your company increased by ₹ 400 Lakhs to ₹ 4342.15 Lakhs during the year under review. The Board of Director of the Company has allotted 40 Lakhs Equity Shares of ₹ 10/- face value each fully paid up at a price of ₹ 50/- (Share Premium at the rate of ₹ 40/- per share) to the Promoter(s) of the Company on preferential basis on 30th December, 2020. These shares have been listed with NSE & BSE and under Lock-in period of three years.

WHOLLY OWNED SUBSIDIARY COMPANY

The company has one wholly owned subsidiary viz., Sangam Lifestyle Ventures Limited.

The Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) is annexed as **Annexure 1**.

In terms of Section 129(3) of the Companies Act, 2013, the Consolidated Financial Statements of the company and its subsidiary prepared in accordance with Ind AS 110 and 111 as specified in the Companies (Indian Accounting Standards) Rules, 2015, forming part of the Annual Report. In accordance with Section 136 of the Companies Act, 2013, the Audited Financial Statements and related information of the company and its subsidiary, wherever applicable, are available on the company's website: www.sangamgroup.com. These are also available for inspection during regular business hours at our registered office in Bhilwara, India.

The Company has adopted the policy for determining material subsidiaries in term of Regulation 16(1)(c) of SEBI (LODR) Regulations as amended from time to time and may be accessed on the company's website www.sangamgroup.com

The Board of Directors of the Sangam (India) Limited (SIL) and Sangam Lifestyle Ventures Limited (SLVL) have approved the Scheme of Amalgamation of SLVL with SIL on dated 14th September, 2020 and 12th September, 2020 respectively, appointed date being 1st April, 2020. As per order dated 1st April, 2021, the Hon'ble National Company

Law Tribunal ("NCLT"), Jaipur Bench, the NCLT Convened Meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors of Sangam (India) Limited are scheduled to be held on Saturday, the 22nd May, 2021 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to approve the scheme of Amalgamation. Accounting effect of the merger will be given once Scheme is approved by the NCLT.

Sangam Lifestyle Ventures Limited ("SLVL") is a Wholly Owned Subsidiary of the Company. The revenue from operation of the Company is ₹ 1046 Lakhs during the year under review.

CONSOLIDATED FINANCIAL STATEMENTS

The Audited Consolidated Financial Statements for the Financial Year ended 31st March, 2021 based on the financial statements received from Subsidiary company as approved by its Board of Directors, have been prepared in accordance with relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and forms an integral part of this Annual Report.

UNCLAIMED DIVIDEND AND SHARES

In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the Un-paid dividend account is required to be transferred to the IEPF, maintained by the Central Government. In pursuance of this, the dividend remaining unclaimed or unpaid in respect of dividend declared for the financial year ended 31st March, 2013 have been transferred to the IEPF. The details of the unclaimed dividends so transferred are available on the Company's website <https://www.sangamgroup.com/investorhandbook.php>

In accordance with Section 124(6) of the Companies Act, 2013 read with the IEPF Rules, all the shares in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more are required to be transferred to the demat Account of the IEPF Authority. Accordingly, shares were transferred in the name of Investor Education and Protection Fund in respect of the dividend remaining unpaid for seven consecutive years from the Financial Year 2012-13. The Company had sent notices to all such members in this regard and published a newspaper advertisement and thereafter transferred the shares to the IEPF during financial year 2020-21. The details of such shares transferred have been uploaded in

BOARD'S REPORT (Contd.)

the Company's website <https://www.sangamgroup.com/investorhandbook.php>

The shares and unclaimed dividend transferred to the IEPF can be claimed by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the IEPF Rules.

PUBLIC DEPOSITS

During the year under review, the Company has neither invited nor accepted any fixed deposits within the meaning of Section 73 to 76 of the Companies Act, 2013 and rules made thereunder.

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 Standalone Financial Statements of the company.

PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All transactions entered with Related Parties during the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188(1) of the Companies Act, 2013 and the Rules made thereunder were not attracted.

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 in the prescribed Form AOC-2 is annexed to the Board's Report as Annexure II.

All Related Party Transactions entered into during the financial year were placed before the Audit Committee and the Board of Directors for approval. The Company has a process in place to periodically review and monitor Related Party Transactions. Omnibus approval was obtained on a yearly basis for transactions which were of repetitive nature. All the related party transactions were in the ordinary course of business and at arm's length basis. There were no material subsidiary companies as define in Regulation 16(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The policy on Related Party Transactions as approved by the Board is available on the website of the Company's at weblink: <https://www.sangamgroup.com/financials/Policies/RPT%20Policy.pdf>

The Related party transactions entered during the financial year under review are disclosed in Notes no. 37 to the financial statements of the Company for the financial year ended 31st March, 2021.

DIRECTOR AND KEY MANAGERIAL PERSONNEL

In terms of the provisions of the Companies Act, 2013, Shri V.K. Sodani, Executive Director of the Company is liable to retire by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting. The Nomination and Remuneration Committee and the Board recommend his reappointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

Shri Anurag Soni was appointed as Additional Director designated as Whole Time Director of the Company w.e.f. 21st January, 2021 of the Company for a term of 3 years subject to approval of the shareholders. He is also associated with Company in the capacity as Chief Financial Officer of the Company w.e.f. 24th June, 2020

Shri Yaduvendra Mathur has been appointed as Additional Director in category of Non-Executive Independent Director of the Company w.e.f. 21st January, 2021 to hold office for a term of 5 years subject to approval of the shareholders.

The Key Managerial Personnel ("KMP") of your Company are Shri R.P. Soni, Chairman, Shri S.N. Modani, Managing Director & CEO, Shri V.K. Sodani, Executive Director, Shri Anurag Soni, CFO & Whole-time Director and Shri A.K. Jain, Company Secretary.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and confirmation that they have complied with the Code of Independent Directors prescribed in the Schedule IV of the Companies Act, 2013. The terms and conditions for the appointment of the Independent Directors are disclosed on the website of the company.

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

The Nomination and Remuneration Policy of the Company for Directors, KMPs and other employees including criteria for determining qualifications, positive attributes, independence of a Director, remuneration and other matters provided under sub-section (3) of section 178, is available on the Company's website at the <https://www.sangamgroup.com/financials/Policies/Conditions.pdf>

BOARD OF DIRECTORS AND MEETINGS

The members of the Company's Board of Directors are eminent persons of proven competence and integrity. Besides experience, strong financial acumen, strategic astuteness and leadership qualities, they have a significant

BOARD'S REPORT (Contd.)

degree of commitment towards the Company and devote adequate time to the meetings and preparation for attending the meetings. The Board /committee meetings are pre-scheduled and a tentative annual calendar of the Board and Committee meetings is circulated to the Directors well in advance to help them plan their schedule and ensure meaningful participation in the meetings.

Five meeting of the Board were held during the year. The detail of meetings of the Board held during the year forms part of the Corporate Governance Report.

The Company recognizes and embraces the benefits of having a diverse Board of Directors to enhance the quality of its performance. The Company considers increasing diversity at Board level as an essential element in maintaining a competitive advantage in the complex business that it operates. The identified key skills / expertise / competencies of the Board and mapping with individual director are provided in the 'Corporate Governance Report', forms a part of this Report.

The Composition of the Board and its committee has also been given in the report on Corporate Governance.

Secretarial Standards

The Directors have devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI') and that such systems were adequate and operating effectively and the Company has complied with all applicable Secretarial Standards during the year under review.

AUDIT COMMITTEE

The Audit Committee was constituted by our Board in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 i.e. Listing Regulations. The composition, quorum, terms of reference, functions, powers, roles and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulations, 2015. All the members of the committee are financially literate and Mr. Achintya Karati, Chairman of the Committee is an Independent Director and possesses financial expertise.

The details regarding composition, terms of references, powers, functions, scope, meetings and attendance of members are included in Corporate Governance Report which forms part of the Annual Report.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR

TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THIS REPORT

There are no material changes or commitments affecting the financial position or business activities of the Company between the end of the Financial Year and the date of this Board's Report.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company conducts familiarization programme for all independent directors at the time of their appointment and also at regular intervals to enlighten the directors regarding their roles, rights and responsibilities in the Company and the nature of the industry in which the Company operates, the business model of the Company etc. The details of such familiarization programme imparted to Independent Directors are posted on the website of the Company at the weblink: <https://www.sangamgroup.com/financials/Policies/FP%20Policy.pdf>

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time. The details regarding composition, objectives powers, functions, scope, meetings and attendance of members are included in Corporate Governance Report which forms part of the Annual Report.

During the financial year 2020-21, the Company has spent ₹ 96.66 Lakhs on CSR activities of the Company related to current year/previous years. The disclosure with respect to CSR activities is annexed to the Board's Report as Annexure III.

As per Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Policy is available on the website of the Company at weblink: <https://www.sangamgroup.com/financials/Policies/CSR%20Policy.pdf>

RISK MANAGEMENT

The Risk Management policy is formulated and implemented by the Company in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy helps to identify the various elements of risks faced by the Company, which in the opinion of the Board threatens the existence of the Company.

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

BOARD'S REPORT (Contd.)

EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES AND OF DIRECTORS

Your Board of Directors, during the financial year under review, carried out annual evaluation of its own performance as well as its Committees and also of the individual Directors in the manner as enumerated in the Nomination and Remuneration Policy in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

INTERNAL FINANCIAL CONTROL

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to Section 134(5)(e) of the Act read with Rule 8(5)(viii) of the Companies (Accounts) Rules, 2014. The Board is of the opinion that the Company has sound Internal Financial Control commensurate with the nature and size of its business operations and operating effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

The Board of Directors of the Company have adopted various policies like Policy on Materiality of and Dealing with Related Party Transactions, Whistle Blower Policy and Vigil Mechanism, Policy to determine Material Subsidiaries and such other procedures for ensuring the orderly and efficient conduct of its business for 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. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control system and suggests improvements to strengthen the same.

M/s. Rajendra & Co., Chartered Accountants (FRN: 108355W) and M/s O.P. Dad & Co., Chartered Accountants (FRN: 002330C), the Statutory Auditors of the Company audited the financial statements included in this Annual Report and issued a report on the internal controls over financial reporting (as defined in Section 143 of the Companies Act, 2013).

WHISTLE BLOWER POLICY / VIGIL MECHANISM

As per the provisions of Section 177(9) of the Companies Act, 2013, the Company has established an effective Vigil Mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the audit committee in exceptional cases.

The Vigil Mechanism Policy has been placed on the website of the Company at the <https://www.sangamgroup.com/financials/Policies/Whistle%20Blower%20Policy.pdf>

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the year ended 31st March, 2021 as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed which forms part of this Annual Report.

CORPORATE GOVERNANCE REPORT

Your Company is committed to maintain the highest standards of Corporate Governance and adheres to the stipulations set out in the Listing Regulation and have implemented all the prescribed requirements.

A Corporate Governance Report and Certificate from practicing company secretaries confirming compliance of conditions as required by Regulation 34(3) read with Part E of Schedule V of the Listing Regulations form part of this Board's Report.

CODE OF CONDUCT

A declaration signed by the Managing Director in regard to compliance with the Code of Conduct by the Board Members and Senior Management personnel, also forms part of the Annual Report.

STATUTORY AUDITORS

In accordance with the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, M/s. Rajendra & Co., Chartered Accountants (FRN: 108355W) and M/s O.P. Dad & Co., Chartered Accountants (FRN: 002330C) were appointed as the Statutory Auditors of the Company for a period of five years to hold office from the conclusion of the 31st Annual General Meeting of the Company held on 29th September, 2017 till the conclusion of the 36th Annual General Meeting to be held in the year 2022. They have confirmed that they are not disqualified from continuing as auditors of the company.

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

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company

BOARD'S REPORT (Contd.)

has been carrying out audit of Cost Records every year. The Board after considering the recommendations of its Audit Committee has appointed M/s K.G. Goyal & Company, Cost Accountants, Jaipur (Firm Registration No. 000017) as cost auditors for the financial year 2021-22 and appropriate resolutions in this connection has been included in the notice calling the ensuing annual general meeting of the Company for ratification purpose.

COST RECORDS

The Cost accounts and records, as required to be maintained under Section 148 (1) of the Companies Act, 2013, are duly made and maintained by the Company.

SECRETARIAL AUDITOR REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, M/s. B K Sharma and Associates, Company Secretaries was appointed as Secretarial Auditors to conduct secretarial audit of the company for the financial year 2020-21. The Secretarial Audit Report for the financial year 2020-21 is attached as Annexure-IV. The observations in the report are self-explanatory and therefore, do not call for any further comments.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has always believed in providing a safe and harassment-free workplace for every individual working in the Company. The Company has complied with the applicable provisions of the aforesaid Act and the Rules framed thereunder, including constitution of the Internal Complaints Committee (ICC). The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the Financial Year ended 31st March, 2021, no complaint was pending at the beginning of the year.

PARTICULARS OF REMUNERATION OF DIRECTORS/ KMP/ EMPLOYEES

Statement showing disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as Annexure-V.

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

Information required under section 134(3)(m) of the

Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is enclosed herewith as Annexure-VI to the Board's Report.

GENERAL DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise;
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme;
- No Significant and material orders were passed by the any Regulators or Courts or Tribunals impacts the going concern status and Company's operations in future;
- No fraud was reported by the Auditors to the Audit Committee or Board;
- The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under clause (c) of sub-section (3) of Section 134 of the Act, with respect to the Directors' Responsibility Statement, the Directors confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 31st March, 2021 and of the profit of the Company for the year ended on that date;
- 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;
- They have prepared the annual accounts of the company for the year ended on 31st March, 2021 on a going concern' basis.
- 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

BOARD'S REPORT (Contd.)

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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis for the year under review as stipulated under the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 is being given separately and forms part of this Annual Report.

ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Act, read with Companies (Management & Administration) Rules, 2014, the annual return in the prescribed form is available on the website of the Company at www.sangamgroup.com

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

The Directors deeply regret the loss of life caused due to the outbreak of COVID-19 and are grateful to every person who risked their life and safety to fight this pandemic.

For and on Behalf of the Board of Directors

R.P. Soni

Chairman

(DIN : 00401439)

Place: Bhilwara

Date: 05th May, 2021



ANNEXURE-I

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies / joint ventures

Part "A": Subsidiaries

(₹ in Lakhs)

Sl. No.	Particulars	Description
1.	Name of the subsidiary	Sangam Lifestyle Ventures Ltd.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March, 2021
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
4.	Share capital	5
5.	Reserve & Surplus	(668)
6.	Total assets	1152
7.	Total Liabilities	1815
8.	Investments	-
9.	Turnover	1046
10.	Profit before taxation	(100)
11.	Provision for taxation	(28)
12.	Profit after taxation	(72)
13.	Proposed Dividend	-
14.	% of shareholding	100%

Note

- Names of Subsidiaries which are yet to commence operations. – Nil
- Names of Subsidiaries which have been liquidated or sold during the year – Nil

For and on behalf of the Board

R.P. Soni

Chairman
(DIN: 00401439)

(S.N. Modani)

Managing Director & CEO
(DIN 00401498)

(V.K. Sodani)

Executive Director
(DIN 00403740)

(Anurag Soni)

Chief Financial Officer &
Whole-time Director
(DIN 03407094)

Place: Bhilwara

Date: 05th May, 2021

ANNEXURE-II

FORM NO. AOC- 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

- (a). Name(s) of the related party and nature of relationship : Nil
- (b). Nature of contracts /arrangements/transactions : Nil
- (c). Duration of contracts /arrangements/transactions : Nil
- (d). Salient terms of the contracts or arrangements or transactions including the value, if any : Nil
- (e). Justification for entering into such contracts or arrangements or transactions : Nil
- (f). Date(s) of approval by the Board : Nil
- (g). Amount paid as advances, if any : Nil
- (h). Date on which the special resolution passed in General Meeting as required under first proviso to section 188 : Nil

2. Details of material contracts or arrangements or transactions at arm's length basis

- (a). Name(s) of the related party and nature of relationship : Nil
- (b). Nature of contracts /arrangements/transactions : Nil
- (c). Duration of contracts /arrangements/transactions : Nil
- (d). Salient terms of the contracts or arrangements or transactions including the value, if any : Nil
- (e). Date(s) of approval by the Board : Nil
- (f). Amount paid as advances, if any : Nil

**For and on Behalf of the Board of Directors
For Sangam (India) Limited**

(R.P. Soni)
Chairman
(DIN: 00401439)

Place: Bhilwara
Date: 05th May, 2021

ANNEXURE-III

Format for the Annual Report on CSR Activities for Financial Year commencing after 1st Day of April, 2020

ANNUAL REPORT ON CSR ACTIVITIES

1. BRIEF OUTLINE OF THE COMPANY'S CSR POLICY

CSR is an integral part of the Sangam, culture imbibed by one and all involved in the working of the Company. Sangam (India) Limited is committed to its stakeholders, government, investors, associates, community, environment, employees and their families to conduct its business in a responsible manner that creates a sustained positive impact. The CSR activities are carried out directly by the Company and also through trust/society. Our vision is to actively contribute to the social and economic development of the communities in which we operate. The company aims to build a better, sustainable way of life for the weaker section of society and raise the country's human development index.

The focus areas of the Company under its CSR programme are promoting of education, Eradicating hunger, poverty and malnutrition, rural development, sanitation and environment and any other projects as defined in Schedule VII of the Companies Act, 2013.

2. COMPOSITION OF CSR COMMITTEE

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri R.P. Soni	Chairman of the Committee Whole-time Director	4	4
2	Shri S.N. Modani	Member of the Committee Managing Director & CEO	4	4
3	Shri T.K. Mukhopadhyay	Member of the Committee Independent Director	4	4

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <http://www.sangamgroup.com/financials/Policies/CSR%20Policy.pdf>.

4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any- Not Applicable

6. AVERAGE NET PROFIT

The Average Net Profit of the Company for last three financial years is ₹ 1983.24 Lakhs.

7. (a) Two percent of average net profit of the company as per section 135(5): - 39.66 Lakhs
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: - Nil
- (c) Amount required to be set off for the financial year :- Not Applicable
- (d) Total CSR obligation for the financial year (7a+7b-7c) :- 39.66 Lakhs
8. (a) Details of CSR spent or Unspent for the financial year

(₹ In Lakhs)

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per Sec 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of fund	Amount	Date of Transfer
96.66	NA	NA	NA	NA	NA

BOARD'S REPORT (Contd.)

(b) Detail of CSR amount spent against ongoing projects for the financial year: Not Applicable

(₹ in Lakhs)

1	2	3	4	5		6	7	8	9	10	11	
Sl No.	Name of the Projects	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Projects		Project duration	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to Unspent CSR account for the projects as per Section 135(6)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Registration number

Not Applicable

(C) Details of CSR amount spent against other than ongoing projects for the financial year:

(₹ in Lakhs)

Sl. No.	Name of the Projects	Item from the list of activities in schedule VII of the Act	Local area (Yes/No.)	Location of the Projects		Amount spent for the projects (₹ in Lakhs)	Mode of implementation Direct (Yes/No) Name	Mode of Implementation through implementing agency	
				State	District			Name	CSR Registration No
1	Contribution to rehabilitation of vocational training for disabled mute deaf and visually impaired children	Promoting education	Yes	Rajasthan	Bhilwara	1.00	Yes	N.A	N.A
2	Supply of food to poor and indigent people, children etc. and other deprived sections of the society	Eradicating hunger, poverty and malnutrition	Yes	Rajasthan	Bhilwara	10.54	No	M/s Kesarbai Soni Charitable Trust	CSR00002118
3	Contribution for Promoting health care, sanitation and making available safe drinking water etc.	Eradicating hunger, poverty and malnutrition	No	Rajasthan	Pushkar	11.00	Yes	N.A	N.A
4	Contribution for maintenance of SIMRITHI VAN Park, at Bhilwara (Raj.)	Ensuring Environmental sustainability	Yes	Rajasthan	Bhilwara	7.00	No	M/s Badrilal Soni Charitable Trust	CSR00002112
5	Provide Blood Donation camps and General Health Camps and to provide hospitalize facility to poor and needy person in the hospital.	Promoting Health Care including preventive health care	Yes	Rajasthan	Bhilwara	45.00	No	M/s Kesarbai Soni Charitable Trust	CSR00002118
6	Contribution to protection of National Heritage	Protection of National Heritage, Art and Culture	No	Uttar Pradesh	Ayodhya	21.01	Yes	N.A	N.A
7	Contribution for Promoting health care, sanitation and making available safe drinking water etc.	Eradicating hunger, poverty and malnutrition	No	Maharashtra	Mumbai	1.11	No	ABMM Maheshwari Relief Foundation	CSR00001475
Total						96.66			

BOARD'S REPORT (Contd.)

(d)	Amount spent in Administrative Overheads	:	Nil
(e)	Amount spent on Impact Assessment, if applicable	:	N.A.
(f)	Total amount spent for the financial year (8b+8c+8d+8e)	:	₹ 96.66 Lakhs
(g)	Excess amount for set off, if any	:	N.A.

Sl No.	Particulars	Amount (₹ In Lakhs)
1.	Two percent of average net profit of the company as per section 135(5)	39.66
2.	Total amount spent for the Financial Year	96.66
3.	Excess amount spent for the financial year [(ii)-(i)]	57.00
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	57.00

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer	
-----Not applicable-----							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year
-----Not applicable-----							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details):

(a)	Date of creation or acquisition of the capital asset(s)	Not applicable
(b)	Amount of CSR spent for creation or acquisition of capital asset	Not applicable
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not applicable
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Not applicable

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per Section 135(5) - NOT APPLICABLE

12. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report: Not Applicable

13. The CSR committee confirms that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors For Sangam (India) Limited

(R.P. Soni)
(DIN 00401439)
Chairman of CSR Committee

(S.N.Modani)
(DIN : 00401498)
Managing Director & CEO

Date: 05th May, 2021
Place: Bhilwara

ANNEXURE-IV

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

SANGAM (INDIA) LIMITED

We 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 us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021, complied with the statutory provisions listed hereunder 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. **Sangam (India) Limited** ("the Company") for the financial year ended on 31st March, 2021 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 and Overseas Direct Investment and External Commercial Borrowings; There was no FDI, ODI and ECBs during the period under review.
- (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, 2018.
- (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014.
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2015. Not applicable to the company during the period under review.
- (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 (Delisting of Equity Shares) Regulations, 2009. Not applicable to the company during the period under review.
- (h) The Securities and Exchange Board of India (Buy Back of securities) Regulations, 2018; Not applicable to the company during the period under review.
- (i) The SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- (vi) As informed and certified by the management, there are no laws that are specifically applicable to the company based on their sector/industry.

We 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 Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except delay in submission of shareholding pattern to BSE in respect of quarter ended 31st December, 2020 by 25 days and in respect of capital restructuring due to allotment of equity shares by one day, in

ANNEXURE-IV (Contd.)

compliance of Regulation 31 of the SEBI (LODR) Regulations, 2015. BSE has charged fine as per SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated 22nd January, 2020.

We 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,
- 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 of the Board and Committees were carried with requisite majority.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion 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.

We further report that the Company has issued 40,00,000 Equity Shares by way of Preferential Issue to the promoters of the Company in terms of the SEBI (SAST) (Amendment) Regulations, 2020 and the SEBI (ICDR)(Amendment) Regulations, 2020. The Shareholder approve the resolution for issue of 40,00,000 Equity Shares in the Annual General Meeting held on 28th November, 2020. The Board of Directors of the Company allotted 40,00,000 Equity Shares to the promoters in the Board Meeting held on 30th December, 2020. These shares have been listed with NSE and BSE. These Equity Shares are under Lock-in period of three years upto 31st March, 2024.

This Report is to be read with our letter of even date which is annexed as "Annexure A" and forms as an integral part of this report.

For B K Sharma and Associates

Company Secretaries

[BRIJ KISHORE SHARMA]

Proprietor

M. No. : FCS - 6206

COP No.: 12636

UDIN: F006206C000258546

Place: Jaipur

Date: 05th May, 2021

'ANNEXURE A'

To,

The Members

Sangam (India) Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of event etc.
5. The compliances of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination is limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For B K Sharma and Associates

Company Secretaries

[BRIJ KISHORE SHARMA]

Proprietor

M. No. : FCS - 6206

COP No.: 12636

UDIN: F006206C000258546

Place: Jaipur

Date: 05th May, 2021



ANNEXURE-V

DISCLOSURE AS PER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2016

- The percentage increase in remuneration of each Director, Key Managerial Personnel (KMP) during the financial year 2020-2021, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-2021 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 Lakhs)	Percentage increase/decrease in remuneration	Ratio of remuneration of Director to median remuneration of employees
1	Shri R.P. Soni	Chairman	207.12	-	256.02
2	Shri S.N. Modani	Managing Director & CEO	125.98	-	155.73
3	Shri V. K. Sodani	Executive Director	76.83	-	94.97
4	Shri Anurag Soni*	CFO & Whole-time Director	46.83	NA #	-
5	Shri Achintya Karati	Independent Director	5.60	4.67%	6.92
6	Shri T. K. Mukhopadhyay	Independent Director	5.60	28.74%	6.92
7	Smt. Jyoti Sharma*	Independent Director	2.25	NA #	-
8	Shri Yaduvendra Mathur	Independent Director	-	-	-
9	Shri A.K. Jain	Company Secretary	6.28	13.77%	7.76

Since the remuneration is only for part of the year, the percentage increase in remuneration is not comparable and hence, not stated.

* Shri Anurag Soni Appointed Whole-time Director w.e.f. 21.st January, 2021, Smt. Jyoti Sharma and Shri Yaduvendra Mathur appointed as Independent Director w.e.f. 24th June, 2020 and 21st January, 2021 respectively.

- There were 9055 permanent employees on the rolls of Company as on 31st March, 2021.
- The median remuneration of employees of the Company during the financial year was ₹ 80899. There was no increase in median remuneration of the employees during the financial year due to pandemic.
- Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration:
There was no increase in average percentage in the salaries of employees other than the managerial personnel for the year 2020-21.
- No employee has received remuneration in excess of highest paid Director of the Company during the financial year 2020-21.
- It is hereby affirmed that the remuneration paid as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

ANNEXURE-VI

CONSERVATION OF ENERGY

- (i) Energy Conservation measures taken
- 1 Replacement of Motor Pulley Change for Energy Saving
 - 2 Speed optimization in 16 no. R/F suction fan motor through Inverter for Energy Saving.
 - 3 Replacement / Conversion of existing FTL by LED light.
 - 4 Replaced Old Pump By Energy Efficient Pumps.
 - 5 Blow Room H Plant Ducting Modification for reducing Fan Power consumption.
 - 6 Auto Coner Machine Speed Optimization in suction fan motor for Energy Saving.
 - 7 Installing of inverter on supply and return air fan motor at H-Plant for Energy saving
 - 8 Energy Saving by 100% Opening of Damper in ID & FD fan (6 MW TPP)
 - 9 Reduction of the pressure at Co-Gen plant of compress Air
 - 10 Minimizing idle running of Instrument Air Compressor of Power Plant
 - 11 Reduction of Heat Loss due to partial conversion of C to CO (%)
 - 12 Proper filter Cleaning & Screw Check of Air compressors at Denim Plant
 - 13 Insulation of Bare lines (Denim Plant), both side of DR cylinders and Bare lines Dye House
 - 14 Installing VFD at 10 MW TPP plant damper Controlled fans
 - 15 Close loop WCS drive with Suction Pressure
 - 16 Attending air leakage at weaving looms at Denim Plant
 - 17 Optimizing Auto corner suction blower Frequency with Pressure Transducer
 - 18 Installed Steam Shut off Valve at Steam Driers
- (ii) The steps taken by the Company for utilizing alternate sources of energy
- The Company has installed Total 13 MW roof top solar power plant at various units of the Company. Company also have co-generation thermal power plant to meet the power and steam requirement.

- (iii) The capital investment on energy conservation equipments;

The company keeps on replacing old machines with new energy efficient machines. Also the company has replaced old motors with new energy efficient motors.

TECHNOLOGY ABSORPTION

- (i) The efforts made towards technology absorption;
- The company has installed "ZLD" ETP plants. The company has developed variety of slub, fancy yarns and gridnle yarn. Varieties of seamless garments have been developed.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution;
- Technological up gradation of various machineries has improved the product quality, reduction in customer complaints, cost reduction, manpower engagement and energy savings.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
- N.A.
- (iv) The expenditure incurred on Research and Development
- The company has incurred more than 2.00 Crores. research and development during the year.

FOREIGN EXCHANGE EARNING AND OUTGO

Particulars	(₹ in Crores)	
	31st March, 2021	31st March, 2020
a) Total Foreign Exchange used	41.64	53.35
b) Earning in Foreign Exchange	411.08	462.86

For and on behalf of the Board of Directors For Sangam (India) Limited

(R.P. Soni)
(DIN 00401439)
Chairman

Date: 05th May, 2021
Place: Bhilwara

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE

Corporate Governance is a set of principles, processes and systems which govern a company. The elements of Corporate Governance are independence, transparency, accountability, responsibility, compliance, ethics, values and trust. Corporate Governance enables an organization to perform efficiently and ethically generate long term wealth and create value for all its stakeholders.

The Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust and your Company always seeks to ensure that its performance goals are met accordingly. The Company has established systems and procedures to ensure that its Board of Directors is well informed and well equipped to fulfill its overall responsibilities and to provide management with the strategic direction needed to create long term shareholders value. The Company has adopted many ethical and transparent governance practices even before they were mandated by law. The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's essential character revolves around values based on transparency, integrity, professionalism and accountability. At the highest level, the Company continuously endeavors to improve upon these aspects on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, fostering a healthy growth and development of human resources to take the Company forward.

The company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations') as applicable, with regards to Corporate Governance.

BOARD OF DIRECTORS

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholders' value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. Your Company has an engaged and well informed Board with qualifications and experience in diverse areas.

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013 (hereinafter referred to as "Act"). The Board of Directors has an optimum combination of Executive, Non-Executive and Independent Directors. As on 31st March, 2021, the Company has Eight Directors. Out of which, four are Promoters and Executive Directors and four Independent Non-Executive Directors. All Directors possess relevant qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to effectively contribute to the Company in their capacity as Directors.

COMPOSITION

Composition of the Board of Directors of the Company as on 31st March 2021 was as under with details of other directorships and committee chairmanship and memberships: -

Name	Category of Director	No. of other Directorship and Committee Chairmanship and Memberships in other Public Company			List of Directorship held in other Listed Companies and Category of Directorship
		Other Directorships	Chairman of the Committee	Member of the Committee	
Shri R.P. Soni (DIN: 00401439)	Promoter Executive	Five	Nil	Nil	Nil
Shri S.N. Modani (DIN: 00401498)	Promoter Executive	Nil	Nil	Nil	Nil
Shri Anurag Soni (DIN: 03407094)	Promoter Executive	Four	Nil	Nil	Nil
Shri V.K. Sodani (DIN: 00403740)	Promoter Executive	Three	Nil	Two	Suchitra Finance & Trading Co Ltd (Non-Executive Director)

CORPORATE GOVERNANCE REPORT (Contd.)

Name	Category of Director	No. of other Directorship and Committee Chairmanship and Memberships in other Public Company			List of Directorship held in other Listed Companies and Category of Directorship
		Other Directorships	Chairman of the Committee	Member of the Committee	
Shri Achintya Karati (DIN: 00024412)	Independent Non-executive	Six	Three	Four	<ul style="list-style-type: none"> J.K. Cement Limited (Independent Director) Jay Bharat Maruti Ltd. (Independent Director) Delton Cables Ltd. (Independent Director) Shyam Telecom Ltd. (Independent Director) Uflex Ltd (Independent Director)
Shri T.K. Mukhopadhyay (DIN: 00239251)	Independent Non-executive	One	Nil	Nil	Nil
Smt. Jyoti Sharma (DIN: 08741591)	Independent Non-executive	Nil	Nil	Nil	Nil
Shri Yaduvendra Mathur (DIN: 00307650)	Independent Non-executive	One	Nil	Nil	Nil

Notes:

- Other Company directorship excluding foreign companies and companies under Section 8 of the Act, alternate directorship and trust.
- Only Audit Committee and Stakeholders Relationship Committee have been considered as per Regulation 26 of the "Listing Regulations".
- Shri Anurag Soni appointed as Additional and Whole-time Director w.e.f. 21st January, 2021 (subject to approval of the members at their ensuing General Meeting) and Smt. Jyoti Sharma and Shri Yaduvendra Mathur appointed as Additional Directors (Independent Non-executive) w.e.f. 24th June, 2020 and 21st January, 2021 respectively.
- Shri Anurag Soni, Shri S. N. Modani, Shri V. K. Sodani and Shri R. P. Soni are related to each other. Shri S.N. Modani and Shri V. K. Sodani are the Sons-in-Law of Shri R. P. Soni and Shri Anurag Soni is Son of Shri R.P.Soni. No other Director is related to any other Director on the Board.
- None of the Directors hold the office of director as permissible under the Act, or Regulation 25 and 26 of the Listing Regulations.
- None of the Non-Executive Directors hold Shares and Convertible Instruments as on 31st March, 2021.
- Shri R. P. Soni, Shri S. N. Modani, Shri Anurag Soni and Shri V. K. Sodani, Directors are liable to retire by rotation.

CORPORATE GOVERNANCE REPORT (Contd.)

BOARD MEETING

The Board meets at regular intervals to discuss and decide on various business decisions, strategies, policies and review the performance of the Company and its subsidiary. The Board has also constituted committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Meetings are pre- scheduled and a tentative annual calendar of the Board is circulated to the directors well in advance to facilitate the directors to plan their schedules. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting. The Company also provides Video Conference facility, if required, for participation of the Directors at the Board/Committee Meetings.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets.

Five meetings of the Board were held during the financial year 2020-2021 on 24th June, 2020, 14th September, 2020, 31st October, 2020, 30th December, 2020 and on 21st January, 2021. The last Annual General Meeting was held on 28th November, 2020.

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

Sl. No.	Name of Director	No. of Board Meetings attended	Whether attended Last AGM
1	Shri R. P. Soni	Five	Yes
2	Shri S. N. Modani	Five	Yes
3	Shri V. K. Sodani	Five	Yes
4	Shri Achintya Karati	Five	Yes
5	Shri T.K. Mukhopadhyay	Five	No
6	Shri Anurag Soni	One	NA
7	Smt. Jyoti Sharma	Four	Yes
8	Shri Yaduvendra Mathur	None	NA

Note: Shri Anurag Soni appointed as Whole-time Director w.e.f. 21st January, 2021 (subject to approval of the members at their ensuing General Meeting) and Smt. Jyoti Sharma and Shri Yaduvendra Mathur appointed as Additional Director (Independent) w.e.f. 24th June, 2020 and 21st January, 2021 respectively.

APPOINTMENT AND MEETING OF INDEPENDENT DIRECTORS

During the financial year 2020-2021, the Independent Directors met on 24th June, 2020. The meeting was held without the presence of Executive Directors or management personnel of the Company. Such meeting was conducted to enable Independent Directors to discuss matters pertaining to the Company's affairs and matters mentioned in Schedule IV to the Act. The Independent Directors take appropriate steps to present their views to the Chairman.

Smt. Jyoti Sharma and Shri Yaduvendra Mathur appointed as Additional Director (Independent) w.e.f. 24th June, 2020 and 21st January, 2021 respectively.

Terms and Conditions of the appointment of the Independent Directors are available on the website of the Company's at the weblink: <https://www.sangamgroup.com/financials/Policies/Conditions.pdf>

INDEPENDENT DIRECTORS CONFIRMATION BY THE BOARD

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and are independent of the management.

BOARD SKILLS AND EXPERTISE

The Company recognizes and embraces the benefits of having a diverse Board of Directors to enhance the quality of its performance. The Company considers increasing diversity at Board level as an essential element in maintaining a competitive advantage in the complex business that it operates.

The Board of the Company is composed of appropriately qualified people with a broad range of experience relevant to the business of the Company, which is important to achieve effective corporate governance and sustained commercial success of the Company. All appointments at Board level are made on merit, in the context of skills, experience, independence, knowledge and integrity which the Board requires to be effective.

The table summarizes the key skills and attributes which are considering while identifying, selecting and nominating the candidate to serve on the Board of the Company.

CORPORATE GOVERNANCE REPORT (Contd.)

S.No	Particulars	Description
1	Business	Experience and understanding of the Industry, business environment, economic conditions, Strategic thinking.
2	Financial	Knowledge and understanding of finance management, accountancy, ability to read and understand financial statements
3	Board Services	Experience as director on other's Board, maintaining Board and management accountability, observing good governance practices
4	Specialized Skills	Specialized knowledge of Accounting/Finance/Law/Management/ Information Technology / Sales & Marketing / Procurement / Manufacturing/ Human Resource Management /E-commerce/ Public relations/ Corporate Social responsibility/Administration etc.
5	Leadership and sound Judgement	Leadership and sound judgement ability in regular and complex business environment.
6	Other diversity	Representation of gender, ethnic, geographic, culture and other perspective to compliment Board's understanding of our customers, employees, governments, community and various other stakeholders in different geographies.

Expertise/Skill of individual directors are highlighted below:

Name of Director	Area of Expertise					
	Business	Financial	Board Services and Governance	Specialized Skills	Leadership and sound Judgement	Other diversity
Shri R.P. Soni	✓	✓	✓	✓	✓	✓
Shri S.N. Modani	✓	✓	✓	✓	✓	✓
Shri V.K. Sodani	✓	✓	✓	✓	✓	✓
Shri Anurag Soni	✓	✓	✓	✓	✓	✓
Shri Achintya Karati	✓	✓	✓	✓	✓	✓
Shri T.K. Mukhopadhyay	✓	✓	✓	✓	✓	✓
Smt. Jyoti Sharma	✓	✓	✓	✓	✓	✓
Shri Yaduvendra Mathur	✓	✓	✓	✓	✓	✓

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

At the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities. Further, in accordance with the requirements of Listing Regulations, the Company also organizes Familiarization programme for the Independent Directors to enlighten them about the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc.

The details of familiarization programmes imparted to Independent Directors are available on the Company's website, viz <https://www.sangamgroup.com/financials/Policies/FP%20Policy.pdf>

CEO/CFO CERTIFICATION

The Managing Director & CEO and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Company has in place a comprehensive Code of Conduct applicable to the Directors and Senior Management. The Code is also applicable to Non-Executive Directors including Independent Directors to such extent as may be applicable

CORPORATE GOVERNANCE REPORT (Contd.)

to them depending on their roles and responsibilities. The duties of Independent Directors as laid down in the Act, is incorporated in the Code. The Code gives guidance needed for ethical conduct of business and compliance of law. All Board Members and designated senior management personnel have affirmed compliance with this code of conduct. The code of conduct is available on the website of the Company at the weblink: <https://www.sangamgroup.com/financials/Policies/Code%20Conduct%20for%20Directors.pdf>

A declaration in this regard, signed by the Managing Director of the Company is attached in this report.

INSIDER TRADING CODE

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders' ("the Code"). All the Directors, designated employees and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed from 1st day of the each Quarter till the declaration of results and occurrence of any material events as per the code. This Code is available on the website of the Company's at the weblink: <https://www.sangamgroup.com/financials/Policies/Code%20of%20Conduct%20for%20Insider%20Trading.pdf>

COMMITTEES OF THE BOARD

The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board. The terms of reference of the Board Committees are governed by the Board from time to time. These Committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Board currently has the following Committees:

(A) AUDIT COMMITTEE

Constitution

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Act and the provisions of Regulation 18 of the Listing Regulations. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation,

Economics, Risk and International Finance. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function.

The Chairman of the Committee is Shri Achintya Karati, Non-Executive Independent Director. Invitees to the Audit Committee include Managing Director & Chief Executive Officer, Chief Financial Officer & Auditors of the Company. The Company Secretary acts as the Secretary to the Audit Committee.

Meeting

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

Date of meetings - Four meetings of the Audit Committee were held during the financial year 2020-2021 on 24th June, 2020, 14th September, 2020, 31st October, 2020 and on 21st January, 2021.

Composition and Attendance

The Composition and Attendance of the Audit Committee as on 31st March, 2021 was as follows:

Name of Director	Position	Category	No. of Meeting Attended
Shri Achintya Karati	Chairman	Non- Executive Independent Director	Four
Shri T. K. Mukhopadhyay	Member	Non-Executive Independent Director	Four
Shri R. P. Soni	Member	Executive Director	Four

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 Act;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;

CORPORATE GOVERNANCE REPORT (Contd.)

- (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 utilization 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 auditor's 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.

Review of information by Audit Committee

The Audit Committee reviews the following information:

- 1. Management discussion and analysis of financial condition and results of operations;
- 2. Statement of significant related party transactions, submitted by management;
- 3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
- 4. Internal audit reports relating to internal control weaknesses; and
- 5. The appointment, removal and terms of remuneration of the 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 Listing Regulations.
 - (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 Listing Regulations.

(B) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee has been constituted as per provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations. During the year, the Nomination and Remuneration Committee has been re-constituted on 24th June, 2020. . Smt. Jyoti Sharma, Independent Director of the Company has been appointed as member in the Committee w.e.f. 24th June, 2020 in place of Ms Seema Srivastava, Independent Director resigned from the Board of Directors of the Company w.e.f. 2nd March, 2020.

CORPORATE GOVERNANCE REPORT (Contd.)

Meeting

Two meetings of Nomination and Remuneration Committee were held during the year on 24th June, 2020 and on 21st January, 2021.

Composition and Attendance

The composition and attendance of the Nomination and Remuneration Committee as on 31st March, 2021 was as follows:

Name of Director	Position	Category	No. of Meeting Attended
Shri Achintya Karati	Chairman	Non-Executive Independent Director	Two
Dr. T. K. Mukhopadhyay	Member	Non-Executive Independent Director	Two
Smt. Jyoti Sharma	Member	Non-Executive Independent Director	One
Shri R. P. Soni	Member	Chairman of the company & Executive Director	Two

Terms of reference

The Nomination and Remuneration Committee is responsible for:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and evaluation of Director's performance;
- Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Recommend to the board all remuneration, in whatever form, payable to senior management.

REMUNERATION OF MANAGING DIRECTOR, WHOLE TIME DIRECTOR AND KMP

The Committee while considering the remuneration of the Managing Director, the Whole Time Director and KMP, may take into consideration the performance of the Company, the experience of the person, his background, job-profile and suitability, his past remuneration, the comparative remuneration profile in the industry, size of the Company, responsibilities shouldered by the Managing Director/ Whole Time Director etc., provided that any remuneration considered by the Committee shall be in accordance and within the limits stipulated under the Act.

REMUNERATION OF NON-EXECUTIVE DIRECTOR (NED)

The Independent Directors of the Company shall be entitled to remuneration restricted to the sitting fees for attending meetings of the Board of the Directors and meeting of the Audit Committees, stakeholders' relationship committees, nomination and remuneration committees. Any sitting fees paid to the Independent Director shall not be less the sitting fees paid to non-executive directors. Any incidental expense incurred by the directors with relation to the participation in the meetings of the Board and the Committee Meeting shall be reimbursed.

Details of Remuneration paid or payable to Directors for 2020-2021

(₹ in Lakhs)

Name of Director	Sitting fees	Salary	Perquisites and allowances	Commission	Others
Shri R. P. Soni	-	177.74	7.36	6.00	16.02
Shri S.N. Modani	-	97.79	13.13	6.00	9.06
Shri Anurag Soni	-	42.99	-	-	3.84
Shri V.K. Sodani	-	52.24	18.96	1.50	4.13
Shri Achintya Karati	5.60	-	-	-	-
Shri T.K. Mukhopadhyay	5.60	-	-	-	-
Shri Yadvendra Mathur	-	-	-	-	-
Smt. Jyoti Sharma	2.25	-	-	-	-

Notes:

- The Company has not introduced any stock options for its directors/employees.
- Notice period for termination of appointment of Managing Director and other Whole-time Directors is three months on either side.
- No severance fees are payable on termination of appointment.
- Shri Anurag Soni appointed as Whole-time Director w.e.f. 21st January, 2021 (subject to approval of the

CORPORATE GOVERNANCE REPORT (Contd.)

members at their ensuing General Meeting) and Smt. Jyoti Sharma appointed as Additional Director (Non-executive Independent) w.e.f. 24th June, 2020, her appointment has been approved by the Shareholders in 34th AGM on 28.11.2020. Shri Yaduvendra Mathur has been appointed as Additional Director on 21st January, 2021.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Act and Regulation 17 of the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. The performance evaluation of the Chairman, Managing Director and Executive Director was carried out by the Independent Directors. The evaluation of performance of Independent Director is based on the criteria laid down in the Remuneration policy. Your Directors feel pleasure in informing the members that the performance of the Board as a whole and its members individually was adjudged satisfactory.

(C) STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Committee consists of three directors and Shri Achintya Karati, Independent Director is the Chairman of the Committee and thus the constitution of the Committee is in compliance with section 178 of the Act read with Listing Regulations.

Meeting

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

Date of meetings - four meetings of the Stakeholders' Relationship Committee of Board of the Company were held during the financial year 2020-2021 on 24th June, 2020, 14th September, 2020, 31st October, 2020 and on 21st January, 2021.

Composition and Attendance

The Composition of Stakeholders' Relationship Committee as on 31st March, 2021 was as follows:

Name of Director	Position	Category	No. of Meeting Attended
Shri Achintya Karati	Chairman	Non-Executive Independent Director	Four
Shri R. P. Soni	Member	Executive Director	Four
Shri T. K. Mukhopadhyay	Member	Non-Executive Independent Director	Four

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 terms of reference of the Stakeholders' Relationship Committee of the Company include the following:

- Consider and resolve grievances of the security holders of the Company including complaints related to the transfer of shares, non-receipt of annual report and non-receipt of declared dividends; and
- Carrying out any other function as prescribed under the SEBI (LODR) Regulations, 2015.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, Big share Services Private Limited attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies etc.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors.

Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action.

During the year, 13 complaints were received from investors directly / RTA or through SEBI or Stock Exchange(s) and were dealt with satisfactorily. All complaints received from the investors were general in nature, which were resolved to the satisfaction of the shareholders within the stipulated time.

(D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors has constituted Corporate Social Responsibility Committee as required under Section 135 of the Act. 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.

Meeting

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

Date of meetings - four meetings of the Corporate Social Responsibility Committee of Board of the Company were held during the financial year 2020-2021 on 24th June, 2020, 14th September, 2020, 31st October, 2020 and on 21st January, 2021.

Composition and Attendance

The composition and Attendance of Corporate Social Responsibility Committee as on 31st March, 2021 was as follows:

CORPORATE GOVERNANCE REPORT (Contd.)

Name of Director	Position	Category	No. of Meeting Attended
Shri R. P. Soni	Chairman	Executive Director	Four
Shri S. N. Modani	Member	Managing Director & CEO	Four
Dr. T. K. Mukhopadhyay	Member	Non-executive Independent Director	Four

The Company formulated CSR Policy, which is uploaded on the website of the Company at the weblink: <https://www.sangamgroup.com/financials/Policies/CSR%20Policy.pdf>

GENERAL BODY MEETINGS

General Meeting

a) Details of location and time of holding the last three Annual General Meeting:

General Body Meeting	Day, Date	Time	Venue	Detail of Special Resolution passed
32nd AGM-2018	Saturday, 29th September, 2018	3.30 P.M.	"Sangam House", Atun, Chittorgarh Road, Bhilwara-311001 (Rajasthan)	- Re-appointment of Shri R.P. Soni as Whole time Director, designated as Chairman of the Company for a period of 3 years effective from 1st September, 2018.
33rd AGM-2019	Monday, 30th September, 2019	4.00 P.M.	"Sangam House", Atun, Chittorgarh Road, Bhilwara-311001 (Rajasthan)	- Re-appointment of Shri S.N. Modani as Managing Director of the Company - Re-appointment of Shri Achintya Karati as an Independent Director of the Company - Re-appointment of Shri Tapan Kumar Mukhopadhyay as an Independent Director of the Company - Re-appointment of Shri Ramawatar Jaju as an Independent Director of the Company - Re-appointment of Ms. Seema Srivastava as an Independent Director of the Company
34th AGM-2020	Saturday, 28th November, 2020	4.00 P.M.	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	- Issue of Equity Shares to promoters of the company on preferential basis:

- (b) Whether any special resolution passed last year through postal ballot – details of voting pattern - No special resolutions were passed during the Financial Year 2020-21 through postal ballot.
- (c) Person who conducted the postal ballot exercise: NA
- (d) Whether any special resolution is proposed to be conducted through postal ballot - At present there is no proposal to pass any special resolution through postal ballot.
- (e) Procedure for postal ballot - Does not arise

MEANS OF COMMUNICATION

- (I) The Unaudited quarterly/half yearly results are announced within forty-five days of the close of the quarter. The audited financial results were announced during June, 2020 due to outbreak of the deadly Covid-19 virus and the ensuing lockdown imposed across the Country and as per the relaxation given by the Securities and Exchange Board of India vide Circular No. SEBI/HO/ CFD/CMD1/CIR/P/2020/38 dated March 19, 2020.
- (II) The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper. In addition, the same are published in local newspaper, within forty-eight hours of approval thereof.

CORPORATE GOVERNANCE REPORT (Contd.)

- (III) The Company's financial result is displayed on the Company's website www.sangamgroup.com
- (IV) Management Discussion and Analysis forms part of the Annual Report, which is sent to the shareholders of the Company.
- (V) A separate dedicated section under "Investors Relation", on the Company's website gives information on unclaimed dividends, shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors / public.

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 uploaded 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 7th June, 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 centralized 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, Board's Report, Auditors' Report and other important information is circulated to the investors. Management Discussion and Analysis is 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 is also available in the Investor Relations section on the Company's website <https://www.sangamgroup.com/financials.php>

GENERAL SHAREHOLDER INFORMATION

a.	35th Annual General Meeting	
	- Date and Time	Thursday, 23rd September, 2021 at 4.00 p.m.
	- Venue	"Sangam House", Atun, Chittorgarh Road, Bhilwara-311001 (Raj.)
B	Financial Calendar	2021-22
C	Book closure dates	Saturday, 18th September, 2021 to Thursday, 23rd September, 2021 (both days inclusive)
D	Dividend payment dates	Within 30 days from date of AGM
E	The listing fee has been paid up to date, to all the Stock Exchanges.	Yes
	Bombay Stock Exchange Ltd. (BSE)	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001
	i. Scrip code	514234
	ii. Trading symbol	SANGAMIND
	National Stock Exchange of India Ltd. (NSE)	National Stock Exchange of India Ltd., Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051
	Trading symbol	SANGAMIND
F	Demat ISIN Numbers in NSDL & CDSL	INE495C01010

Credit Rating

Credit Ratings: Credit rating agency "India Ratings & Research" reviewed various credit facilities of the company during the financial year ended 31st March, 2021 as per the following details:

CORPORATE GOVERNANCE REPORT (Contd.)

Description	Rating
Term Loan	IND A/Stable
Fund-based Working Capital Limits	IND A/Stable
Non-Fund-based Working Capital Limits	IND A1

Dividend

The Board of Directors at their meeting held on 5th May, 2021, have recommended a Dividend of Rs. 1/- per share for the year ended 31st March, 2021, subject to shareholders' approval at the forthcoming 35th Annual General Meeting. If approved, the dividend will be paid to the shareholders within 30 days from the date of Annual General Meeting.

The Company will continue to use NECS/ECS or any other electronic mode for payment of dividend to the shareholders

located in places where in such facilities/ system is in existence.

Unclaimed/Unpaid Dividend

The unclaimed dividend for a period of seven years is compulsorily deposited in Investor Education and Protection Fund (IEPF) Account in accordance with Section 125 of the Act administered by the Central Government which can be claimed by the Shareholders/Investors. The details of unclaimed dividend are disclosed on the website of the Company.

Stock Market Data

The reported high and low prices of equity shares of Sangam (India) Limited traded during Financial Year 2020-2021 on BSE Limited and NSE are set out in the following table:

Month	BSE Limited (BSE)				National Stock Exchange of India Ltd. (NSE)			
	Share Price		Sensex		Share Price		S&P CNX NIFTY	
	High	Low	High	Low	High	Low	High	Low
April, 2020	43.90	34.55	33,887.25	27,500.79	44.95	35.00	9889.05	8055.80
May, 2020	40.20	36.90	32,845.48	29,968.45	42.75	36.15	9598.85	8806.75
June, 2020	55.00	37.45	35,706.55	32,348.10	55.85	37.65	10553.15	9544.35
July, 2020	66.20	45.00	38,617.03	34,927.20	65.20	43.30	11341.40	10299.60
August, 2020	58.45	46.00	40,010.17	36,911.23	59.05	46.25	11794.25	10882.25
September, 2020	55.95	45.10	39,359.51	36,495.98	54.90	44.65	11618.10	10790.20
October, 2020	55.00	45.95	41,048.05	38,410.20	55.05	46.10	12025.45	11347.05
November, 2020	57.70	47.05	44,825.37	39,334.92	59.00	47.25	13145.85	11557.40
December, 2020	83.90	54.10	47,896.97	44,118.10	83.95	53.45	14024.85	12962.80
January, 2021	103.75	75.55	50,184.01	46,160.46	104.00	76.55	14753.55	13596.75
February, 2021	83.90	72.50	52,516.76	46,433.65	84.90	71.15	15431.75	13661.75
March, 2021	84.50	70.35	51,821.84	48,236.35	86.90	71.10	15336.30	14264.40

Share Transfer System

The Company's shares are traded in the Stock Exchanges compulsorily in Demat mode. Share in physical mode, which are lodged for transfer are processed and returned to the shareholders within the stipulated time. In compliance with the listing guidelines, every six months the share transfer system is audited by a practicing Company Secretary and a certificate to that effect is issued by him.

(i) Distribution of Shareholding as on 31st March, 2021

Category Range – Shares	Shareholders		Shareholding	
	Number	Percentage	Number of Shares	Percentage
Up to 500	6427	87.00	834639	1.92
501-1000	467	6.32	385964	0.89
1001-2000	205	2.78	321427	0.74
2001-3000	83	1.12	212151	0.49
3001-4000	48	0.65	174070	0.40
4001-5000	25	0.34	116209	0.27
5001-10,000	59	0.80	419996	0.97
10,001 and above	73	0.99	40957103	94.32
TOTAL	7387	100.00	43421559	100.00

CORPORATE GOVERNANCE REPORT (Contd.)

(ii) Shareholding Pattern as on 31st March, 2021

Category	No. of Shares held	% of Shareholding
Promoters holding		
(a) Individual Promoters	8234433	18.96
(b) Persons acting in Concerts	17447968	40.18
Others		
Mutual Funds and UTI	-	-
Banks, Financial Institution, Insurance Companies, NBFCs registered with RBI (Central/State Govt. Institutions/ Non Govt. Institutions)	1013409	2.33
Foreign Portfolio Investors	-	-
Private Corporate Bodies	11825857	27.24
Indian Public	2829553	6.52
NRI's / OCBs	1742987	4.01
Clearing Members	41491	0.10
Investor Education and Protection Fund (IEPF)	87827	0.20
HUF	197984	0.46
Trusts	50	0.00
TOTAL	43421559	100.00

Dematerialization of shares and liquidity

The process of conversion of shares from physical form to electronic form is known as dematerialization. For dematerializing the shares, the shareholders should open a demat account with a Depository Participant (DP). The shareholder is required to fill in a Demat Request Form and submit the same along with the original share certificates to his DP. The DP will allocate a demat request number and shall forward the request physically and electronically through NSDL/CDSL to Registrar & Transfer Agent. On receipt of the demat request both physically and electronically and after verification, the shares are dematerialized and an electronic credit of the shares is given in the account of the shareholder. Shares of the Company are traded in electronic form. About 99.73% of the shares holdings have already been dematerialized. Shares of the Company are actively traded in BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) and have reasonably good liquidity.

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued GDR/ADR.

Commodity Risk or Foreign Exchange Risk and Hedging activities

Disclosures on risks are forming part of this Annual Report during the period under review.

Office and Works**Registered Office**

Atun, Chittorgarh Road, Bhilwara - 311 001 (Raj.)
Ph.: +91 1482 245400-06
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 : Village Soniyana, Tehsil Gangrar, Distt. Chittorgarh 312901 (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,
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,
Makwana Road, Marol, Andheri (East) Mumbai 400059
Fax No.: 022 62638299, Tel. No.: 022 62638200
E-mail: investor@bigshareonline.com

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 1482-245400-06, Fax: +91 1482 245450
email: secretarial@sangamgroup.com
Website: www.sangamgroup.com

CORPORATE GOVERNANCE REPORT (Contd.)

OTHER DISCLOSURE

Related Party Transaction:

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with Related Parties during the financial year. Related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with "IND AS". A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval.

As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The policy is available on website of the company at the weblink: [http://www.sangamgroup.com/financials/Policies/RPT %20Policy.pdf](http://www.sangamgroup.com/financials/Policies/RPT%20Policy.pdf).

Statutory Compliance, Penalties and Strictures:

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.

Vigil Policy (Whistle Blower Policy):

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. A copy of policy is also uploaded on the website of the Company at the weblink: <https://www.sangamgroup.com/financials/Policies/Whistle%20Blower%20Policy.pdf>

Disclosure of Accounting Treatment:

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting

policies which are consistently applied are set out in the Notes to the Financial Statements.

Details of Compliance with Mandatory Requirements:

The Company has complied with all mandatory requirements laid down under the Listing Regulation.

A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

The Certificate of Company Secretary in practice is annexed herewith as a part of the report

Total fees for all services paid by the listed entity and its subsidiaries on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

Details relating to fees paid to the Statutory Auditors are given in Notes to the Financial Statements.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The details of number of complaints filed and disposed of during the year and pending as on 31st March, 2021 is given in the Directors' report.

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 Securities Exchange Board of India (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 31st March, 2021.

**For and on behalf of the Board of Directors
Sangam (India) Limited**

(S. N. Modani)

Managing Director & CEO
DIN: 00401498

Place: Bhilwara
Date: 5th May, 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
Sangam (India) Limited
Atun, Chittorgarh Road,
Bhilwara - 311001 (Rajasthan)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sangam (India) Limited having (CIN- L17118RJ1984PLC003173) and having registered office at Atun, Chittorgarh Road, Bhilwara – 311001 Rajasthan (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of the company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr.No.	Name of Director	DIN
1	Shri Ram Pal Soni	00401439
2	Dr. Shri Niwas Modani	00401498
3	Shri Anurag Soni	03407094
4	Shri Vinod Kumar Sodani	00403740
5	Shri Achintya Karati	00024412
6	Dr. Tapan Kumar Mukhopadhyay	00239251
7	Smt. Jyoti Sharma	08741591
8	Shri Yaduvendra Mathur	00307650

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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 B K Sharma and Associates
Company Secretaries

(Brij Kishore Sharma)
Proprietor
Membership No.: 6206
CP No.: 12636
UDIN: F006206C000258581

Place: Jaipur
Date: 5th May, 2021

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Sangam (India) Limited

1. We have examined the compliance of conditions of Corporate Governance by Sangam (India) Limited ("the Company") for the year ended on 31st March, 2021 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) & other applicable regulations and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the SEBI Listing Regulations').

Management Responsibility

2. The Compliance of the provisions relating to Corporate Governance Report is the responsibility of the Management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditors' Responsibility

3. Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.
4. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance and Guidance Manual on Quality of

Audit and Attestation Services issued by the Institute of Company Secretaries of India. It was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Management of the company, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, as applicable for the year ended 31st March, 2021 referred to in paragraph 1 above.

Other matters and Restriction on use

6. This Certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
7. This Certificate is addressed to and provide to the Members of the Company solely for the purpose of enabling it to comply with its obligations under the SEBI Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For B K Sharma and Associates

Company Secretaries

(Brij Kishore Sharma)

Proprietor

Membership No.: 6206

CP No.: 12636

UDIN: F006206C000490085

Place: Jaipur

Date: 5th May, 2021

CEO / CFO CERTIFICATION

(Pursuant to regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 for the Financial Year ended 31st March, 2021

We the undersigned, in our respective capacities as Managing Director & CEO and Chief Financial Officer of Sangam (India) ("the Company") to the best of our knowledge and belief certify that:

- a. We have reviewed financial statements and Cash Flow Statement for the year ended 31st March, 2021 and that to the best of our knowledge and belief, we state that:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, no transactions are entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We are responsible for establishing and maintaining internal controls over financial reporting and that we have evaluated the effectiveness of internal control systems pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation

of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- d. We have indicated to the Auditors and the Audit Committee:
 - (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Sangam (India) Limited

(S.N. Modani)
Managing Director & CEO
DIN: 00401498
Place: Bhilwara
Date : 5th May, 2021

(Anurag Soni)
Chief Financial Officer &
Whole-time Director
DIN: 03407094

BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34(2)(f) of SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	:	L17118RJ1984PLC003173
2. Name of the Company	:	Sangam (India) Limited
3. Registered address	:	Atun, Chittorgarh Road, Bhilwara (Rajasthan) 311001
4. Website	:	www.sangamgroup.com
5. E-mail id	:	secretarial@sangamgroup.com
6. Financial Year reported	:	1st April 2020 to 31st March, 2021
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	:	Textile (NIC Code 131)
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	:	Spinning, Weaving and finishing of Textile Products.
9. Total number of locations where business activity is undertaken by the Company	:	
(a) Number of international locations	:	Nil
(b) Number of National locations	:	The Company is undertaking business activities within the District, Bhilwara, Chittorgarh and Jaisalmer all in the State of Rajasthan
10. Markets served by the Company	:	National & International markets

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid-up Capital	:	₹ 43.42 Crore
2. Total Turnover	:	₹ 1353.55 Crore
3. Total profit after taxes	:	₹ 5.38 Crore
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	2% of Average Profit of Last three Financial years.
5. List of activities in which expenditure in 4 above has been incurred	:	Promoting Health Care including preventive health care/ Promotion Education/Eradicating hunger, poverty and malnutrition/Ensuring environmental sustainability/ Protection of National Heritage, Art and Culture

SECTION C: OTHER DETAILS

1. Does the Company have any subsidiary Company/ Companies	:	Yes – Sangam Lifestyle Ventures Ltd.
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SECTION D: BR INFORMATION

1. Details of Directors responsible for BR	:	
a. Details of the Director responsible for implementation of the BR policy/policies	:	Shri S.N. Modani (DIN: 00401498) Managing Director & CEO
b. Details of BR head	:	Shri Anurag Soni (DIN: 03407094) Whole-time Director & CFO 01482-245400-406 secretarial@sangamgroup.com

BUSINESS RESPONSIBILITY REPORT (Contd.)

2. The operating principles adopted by the Company supplement the requirements under the National Voluntary Guidelines

Principle 1 : Ethics, Transparency and Accountability [P1]

Principle 2 : Products Lifecycle Sustainability [P2]

Principle 3 : Employees' well-being [P3]

Principle 4 : Stakeholder Engagement [P4]

Principle 5 : Human Rights [P5]

Principle 6 : Environment [P6]

Principle 7 : Policy Advocacy [P7]

Principle 8 : Inclusive Growth [P8]

Principle 9 : Customer Value [P9]

Details of compliance (Reply in Yes/No)

No. Questions P1 TO P9

a) Do you have a policy/policies for	:	Yes
b) Has the policy being formulated in consultation with the relevant stakeholders?	:	Yes
c) Does the policy conform to any national/ international standards?	:	The policies are aligned to the legal requirements and in compliance with standards stipulated by respective agencies.
d) Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/CEO/ appropriate Board Director?	:	The policies were either approved or noted from time to time. Implementation of policy is carried out by the management
e) Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	:	The Corporate Social Responsibility Policy is administered by the CSR Committee in line with requirements of the Companies Act, 2013. The implementation and adherence to the Code of Conduct and policies like the Employee Health and Safety (EHS) and quality practices are overseen by the management
f) Indicate the link for the policy to be viewed online?	:	Policies which are internal to the Company are available on the intranet portal of the Company. Other policies are available on the website of the Company www.sangamgroup.com
g) Has the policy been formally communicated to all relevant internal and external stakeholders?	:	Yes
h) Does the company have in-house structure to implement the policy/policies	:	Yes
i) Does the company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	:	Yes
j) Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	:	No. The Company has not carried out independent audit of the policies. The management team periodically looks at the implementation of the relevant policies. CSR activities undertaken in pursuance of CSR policy will be reviewed by the CSR committee of the board.
3. Governance related to Business Responsibility	:	Business Responsibility Report is part of the Annual Report. It is also available on the Company's website www.sangamgroup.com . It is proposed to be assessed annually.

BUSINESS RESPONSIBILITY REPORT (Contd.)

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

The Company is committed to adhere to the high standards of ethical and legal conduct of its business operations. In order to maintain these standards, it has adopted the 'Code of Conduct', which lays down the principles and standards that govern the actions of the Senior Management Personals and Board of Directors in the course of conduct of business of the Company. Any actual or potential violation of the Code, would receive appropriate intervention by the Company.

The Company has adopted a 'Whistle blower policy' to report any concerns and for a proper redressal of the same.

There was no complaint from shareholders pending at the beginning of the year. The Company received 13 complaints from shareholders during the year and all complaints have been resolved satisfactorily.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

The Company believes in developing products which are efficient and environment friendly and several steps have been taken in this direction. The Company placed an effluent treatment plant and water conservation facility near the Company's manufacturing plants. Being focused on conserving the environment, the Company installed 5 MW wind energy at this Jaisalmer (Raj.) and 13 MW solar energy plant at Company's Various Plants which help to reduce carbon footprint. The Environment Management practices of the Company focus on conservation of natural resources and waste management.

the Company endeavors to create jobs for the local communities at the factory locations.

Principle 3: Businesses should promote the well-being of all employees

1. Total number of employees : 9055
2. Total number of employees hired on temporary/contractual/casual basis : 3286
3. Number of permanent women employees : 529
4. Number of permanent employees with disabilities : 5
5. Whether the Company has an employee association that is recognized by management : Nil
6. Percentage of permanent employees who are members of the above association : N. A.
7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year : Nil
8. Details of safety & skill upgradation during financial year 2020-21:

Sr. No.	Category	Safety	Skill Upgradation training
1	Permanent Employees	852	893
2	Permanent Women Employees	121	98
3	Casual/Temporary/Contractual Employees	10	15

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

As a responsible corporate citizen, Sangam (India) Limited has been continuously engaged in various social activities uplifting the human index of the Country.

The Company's vision is to actively contribute to the social and economic development of the communities in which we operate and build a better, sustainable way of life for the weaker sections of society. CSR policy of the company is available at www.sangamgroup.com

Various initiatives undertaken by the company in pursuance of its CSR policy are disclosed as a part of Annexure to the Boards' Report .

BUSINESS RESPONSIBILITY REPORT (Contd.)

Principle 5: Businesses should respect and promote human rights

The company recognizes the responsibility to respect human rights as enshrined under international bill of human rights, constitution of India, national laws and policies. Principles of fairness, respect and dignity and equal opportunities are the guiding principles in implementation of the same and no discrimination whatsoever manner in the name of race, color, religion, sex or national origin is entertained.

The Code of Conduct is applicable to all the directors and senior management. There have been no complaints received in the last financial year.

The Company promotes the Code of Conduct which apart from other things ensures that there are no instances of sexual harassment, child labour or discriminatory practices.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

All the manufacturing units of the Company have policies on environment, health and safety measures in line with the Environment, Health and Safety Practices adopted by the Company.

Climate change, global warming and environmental degradation pose unique challenges as well as opportunities for Sangam. We are continually investing in new technologies, implementing process improvements and innovating. To make progressive strides and guide us in our endeavor, we have deployed a dedicated team for devising and implementing strategies for managing these risks and opportunities.

The company has installed "ZLD" ETP plants to improve the water quality to reuse the water. The company has also installed Total 13 MW roof top solar power plant at various units of the Company. The Roof-top Solar Power Plants helps to reduce carbon footprint by producing clean energy. The company keeps on replacing old machines with new energy efficient machines. Also the company has replaced old motors with new energy efficient motors.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

The Company is a member of the following trade/chamber/association:

- a) The Rajasthan Textile Mill Associations, Rajasthan
- b) Confederation of Indian Textile Industry (CITI) New Delhi
- c) Council for Redressal & Development of Industries

The company participates in seminars, conferences organized by these associations, from time to time.

Principle 8: Businesses should support inclusive growth and equitable development

The company has set up its manufacturing units in the District of Bhilwara, Chittorgarh and Jaisalmer all in the state of Rajasthan employing local people to the extent possible.

The company is committed to corporate responsibility and sustainability. The company has also undertaken plantation in the vicinities of various plant locations.

In terms of its CSR policy, the company is undertaking various activities. During the year under review, Sangam have undertaken activities like promoting healthcare, Eradicating hunger, poverty & malnutrition and ensuring Environmental sustainability, promoting education and protection of National Heritage, Art & Culture.

It has also been helping the local people of nearby manufacturing units on need basis and facilitating local customs and festivals too.

These initiatives are implemented by the Company directly as well as through Badrilal Soni Charitable Trust, Kesarbai Soni Charitable Trust and through other NGOs/Trusts during the year 2020-21, to support initiatives that benefit the society at large.

The details are provided in the annexure to the Boards'report.

Principle 9: Businesses should engage with and provide value to their customers in a responsible manner

For receiving and resolving customer complaints there are adequate systems in place. Customers may register their grievances through appropriate medium. The Company adheres to all applicable laws and regulations on product labelling.

The company did not carry out any formal consumer satisfaction survey as it did not feel the necessity for the same.

INDEPENDENT AUDITOR'S REPORT

To the Members of **Sangam (India) Limited**

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of Sangam (India) Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flow for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its profit including other comprehensive income, changes in equity and its cash outflow for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are

independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

The key audit matters	How our audit addressed the key audit matter
1. Investment in wholly owned subsidiary company – Impairment of investment <p>The Company carries its investment in the wholly owned subsidiary company at cost at an aggregate amount of Rs. 5 Lakhs. Being strategic investment and net worth of the subsidiary company is fully eroded, the determination of impairment charge required the application of significant judgments by management, in particular with respect to determination of recoverable / fair value amount of these investments which in aggregate is significant to the consolidated financial statements.</p> <p>The Board of Directors of the Company (SIL) and wholly owned subsidiary company (SLVL) has approved the Scheme of Amalgamation of SLVL with SIL on dated 14th September, 2020 and 12th September, 2020 respectively, appointed date being 1st April, 2020. Refer Note 44 of the financial statements.</p>	<p>Our audit procedures include:</p> <ul style="list-style-type: none"> Comparing the carrying amount of investments with audited financial statements of Investee Company to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount. Obtaining and reviewing recoverable amounts as determined by the management for each investment. Obtaining and reviewing Scheme of Amalgamation of both companies and review of its accounting impacts. Reviewed the disclosures made by the Company in the financial statements in this regard.

INDEPENDENT AUDITOR'S REPORT (Contd.)

The key audit matters	How our audit addressed the key audit matter
<p>2. Uncertainty about Covid 19 pandemic impact on financial position of the company</p> <p>The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. It has also assessed the probability of occurrence of forecasted transactions under the hedging relationships and continues to evaluate them as highly probable considering the orders in hand.</p> <p>The Company closely monitors the recent developments and effect of present pandemic over the business. The company believes that this pandemic is not likely to have material impact on the carrying value of its assets and hence no provision for any Impairment is required. As the situation unfolds in the future, the eventual impact may be different from the estimates made as on the date of approval of these Financial Statements.</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> We understood and tested the design and operating effectiveness of controls as established by the management in determination of recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventory and trade receivables. We have considered the basis of management judgement in determining impact on the financial statements of any subsequent events related to Covid-19 pandemic, taking into consideration the date of the financial statements, the facts and circumstances pertaining to the entity, and the conditions that existed at, or arose after, that date. As the impacts of the Covid-19 outbreak continue to evolve, including regulatory restrictions/conditions, capturing events that relates specifically to conditions that existed at the date of the financial statements, or after the date of the financial statements, we have considered all subsequent events and transactions to substantiate our conclusions on the appropriateness of management's assessment of Covid-19 impact. We have carried out a detailed analysis of data and performed additional analytical procedures for validating the management's assessment of the impact due to Covid-19 related uncertainties.

Information other than the financial statements and Auditor's report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 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

INDEPENDENT AUDITOR'S REPORT (Contd.)

and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Company's Management and Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has

adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 of the Companies Act, 2013, we give in the **"Annexure A"**, a statement on the matters specified in paragraphs 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 including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"** to this report.

- (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 impact of pending litigations under note no. 38 of standalone financial statements.
- (ii) The Company has made provision as at 31st March, 2021 as required under the applicable Law or Accounting Standards for foreseeable losses on long term contracts including derivatives contracts.
- (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

3. With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Rajendra & Co.*Chartered Accountants*

Firm Registration No. 108355W

For O. P. Dad & Co.*Chartered Accountants*

Firm Registration No. 002330C

Akshay R. Shah*Partner*

Membership No. 103316

Place : Mumbai

UDIN: 21103316AAAAFY8599

Date: 05th May, 2021**O. P. Dad***Partner*

Membership No. 035373

Place : Bhilwara

UDIN: 21035373AAAACD4203

Date: 05th May, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SANGAM (INDIA) LIMITED

(Referred to in Paragraph 1, under the "Report on Other Legal and Regulatory Requirements" section of our report of even date)

- (i) In respect of its fixed assets:
- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) In respect of inventories:
- In our opinion, during the year the inventories have been physically verified by the management at reasonable intervals and according to explanation given to us, no material discrepancies were noticed during the year on such verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and hence clause iii (a), iii (b) and iii(c) of the Order not applicable to the Company.
- (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) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the Order 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) In respect of statutory dues:
- According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2021 for a period of more than six months from the date of becoming payable.
 - There are no dues of Income Tax, Sales Tax, Wealth Tax, and Service Tax, duty of Customs, Duty of Excise, Value Added Tax, and Cess which have not been deposited as on 31st March, 2021 on account of any dispute, except in respect of the following:

S r . No.	Name of the statute	Nature of dues	Amount of disputed demand (₹ In Lakhs)		Period to which the amount relate (F.Y.)	Forum where dispute is pending
			Gross	Net of Deposited		
1	Central Excise Act, 1944	Excise Duty and Penalty	11	10	2015-16	Commissioner of Excise and Service tax (Appeals), Jodhpur
2	Finance Act, 1994	Service tax and Penalty	444	420	2010-11 to 2014-15	CESTAT, New Delhi
3	Rajasthan Value Added Tax Act, 2003	Value Added Tax	250	234	2012-13	Tax Board, Ajmer
		Value Added Tax with RIPS Incentive on Exports	7	7	2010-11 to 2012-13	Tax Board, Ajmer

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SANGAM (INDIA) LIMITED

S r . No.	Name of the statute	Nature of dues	Amount of disputed demand (₹ In Lakhs)		Period to which the amount relate (F.Y.)	Forum where dispute is pending
			Gross	Net of Deposited		
4	The Rajasthan Tax on Entry of Goods into Local Areas Act, 1999	Penalty and Interest	47	47	2014-15 to 2015-16	Rajasthan High Court, Jodhpur
5	Rajasthan Stamp Duty Act, 1998	Stamp Duty	109	89	2006-07	Rajasthan High Court, Jodhpur
6	Electricity Act, 2003	Fixed Charges Recovery	66	42	2009-10 to 2010-11	APTEL, New Delhi

- (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) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by the officers and employees of the Company 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) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company's transactions with its related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.

- (xiv) In our opinion and according to the information and explanations given to us, the Company has made private placements of fully paid up equity shares during the year and the requirements of Section 42 of the Act have been complied with and the amount raised have been used for the purposes for which the funds were raised.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of paragraph 3 of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to register under section 45-1A of the Reserve Bank of India Act, 1934.

For Rajendra & Co.

Chartered Accountants

Firm Registration No. 108355W

Akshay R. Shah

Partner

Membership No. 103316

Place : Mumbai

UDIN: 21103316AAAAFY8599

Date: 05th May, 2021

For O. P. Dad & Co.

Chartered Accountants

Firm Registration No. 002330C

O. P. Dad

Partner

Membership No. 035373

Place : Bhilwara

UDIN: 21035373AAAAACD4203

Date: 05th May, 2021

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SANGAM (INDIA) LIMITED

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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 31st March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note 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 with reference to these Standalone Financial Statements 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 with reference to these Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Standalone Financial Statements, 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 standalone 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 with reference to these Standalone Financial Statements.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting with reference to these Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these Standalone Financial Statements 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the standalone financial statements.

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SANGAM (INDIA) LIMITED

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these Standalone Financial Statements.

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Standalone Financial Statements, 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 with reference to these Standalone Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Standalone Financial Statements 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 with reference to these Standalone Financial Statements and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, 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 Rajendra & Co.

Chartered Accountants

Firm Registration No. 108355W

For O. P. Dad & Co.

Chartered Accountants

Firm Registration No. 002330C

Akshay R. Shah

Partner

Membership No. 103316

Place : Mumbai

UDIN: 21103316AAAAFY8599

Date: 05th May, 2021

O. P. Dad

Partner

Membership No. 035373

Place : Bhilwara

UDIN: 21035373AAAACD4203

Date: 05th May, 2021

STANDALONE BALANCE SHEET

AS AT 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	Notes	As at 31 st March, 2021	As at 31 st March, 2020
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	3	58,557	61,526
Capital Work-in-Progress		881	602
Intangible Assets	4	455	71
Intangible Assets under Development		-	356
Financial Assets			
(i) Investments	5	9	590
(ii) Other Financial Assets	6	989	949
Other Non Current Assets	7	591	639
TOTAL NON-CURRENT ASSETS		61,482	64,733
Current Assets			
Inventories	8	37,153	36,753
Financial Assets			
(i) Trade Receivables	9	29,396	30,435
(ii) Cash and Cash equivalents	10	15	833
(iii) Bank balances other than (ii) above	11	991	530
(iv) Other Current Financial Assets	12	5,519	4,952
Current Tax Assets (Net)	13	564	445
Other Current Assets	14	6,537	6,027
TOTAL CURRENT ASSETS		80,175	79,975
TOTAL ASSETS		1,41,657	1,44,708
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	4,342	3,942
Other Equity	16	51,620	49,382
TOTAL EQUITY		55,962	53,324
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	17	20,438	24,228
Deferred Tax Liabilities (Net)	18	5,129	5,119
TOTAL NON-CURRENT LIABILITIES		25,567	29,347
Current Liabilities			
Financial Liabilities			
(i) Borrowings	19	30,946	35,899
(ii) Trade Payables	20		
a) Total outstanding dues of Micro enterprises and Small enterprises		630	757
b) Total outstanding dues of Creditors other than Micro enterprises and Small enterprises		10,942	10,702
(iii) Other Financial Liabilities	21	14,908	11,632
Other Current Liabilities	22	1,028	1,313
Provisions	23	1,674	1,734
TOTAL CURRENT LIABILITIES		60,128	62,037
TOTAL EQUITY AND LIABILITIES		1,41,657	1,44,708

Significant Accounting Policies and Notes on Financial Statements

1 to 47

As per our Report of even date

For and on the Behalf of the Board

FOR RAJENDRA & CO.

Chartered Accountants
(Firm Registration No. 108355W)

FOR O. P. DAD & CO.

Chartered Accountants
(Firm Registration No. 002330C)

(AKSHAY R. SHAH)

Partner
Membership No.103316

Place: Mumbai
Date: 5th May, 2021

(O. P. DAD)

Partner
Membership No. 035373

Place : Bhilwara
Date: 5th May, 2021

(R.P. SONI)

Chairman
(DIN 00401439)

(S. N. MODANI)

Managing Director & CEO
(DIN 00401498)

(ANURAG SONI)
Chief Financial Officer &
Whole-time Director
(DIN 03407094)

(V. K. SODANI)

Executive Director
(DIN 00403740)

(A. K. JAIN)
Company Secretary
(M No: F-7842)

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	Notes	2020-21	2019-20
INCOME			
Revenue from Operations	24	1,35,355	1,78,297
Other Income	25	982	848
Total Income		1,36,337	1,79,145
EXPENSES			
Cost of Materials Consumed	26	70,693	98,233
Purchases of Traded Goods	27	894	3,963
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	28	2,739	(1,313)
Employee Benefits Expenses	29	14,816	19,000
Finance Costs	30	4,923	6,865
Depreciation and Amortisation Expense	31	8,052	8,100
Power & Fuel		15,747	22,881
Other Expenses	32	18,130	19,399
Total Expenses		1,35,994	1,77,128
Profit Before Exceptional Item and Tax		343	2,017
Exceptional Items		-	-
Profit Before Tax		343	2,017
Tax Expenses			
Current Tax		724	1,232
Deferred Tax		(272)	(430)
Tax Expense for Earlier Years		(647)	(115)
Profit for the year		538	1,330
Other comprehensive income	33		
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		398	(3)
Tax relating to remeasurement of defined benefit plans		(139)	1
		259	(2)
Items that will be reclassified to profit or loss			
Fair value changes on derivatives designated as cash flow hedges		362	(323)
Tax on items that will be reclassified subsequently to Profit & Loss		(127)	113
		235	(210)
Total Other Comprehensive Income for the year		494	(212)
Total Comprehensive Income for the year		1,032	1,118
Earnings per equity share of face value of ₹ 10 each			
Basic and Diluted (in ₹)	34	1.33	3.37

Significant Accounting Policies and Notes on Financial Statements

1 to 47

As per our Report of even date

For and on the Behalf of the Board

FOR RAJENDRA & CO.
Chartered Accountants
(Firm Registration No. 108355W)

FOR O. P. DAD & CO.
Chartered Accountants
(Firm Registration No. 002330C)

(AKSHAY R. SHAH)
Partner
Membership No.103316

(O. P. DAD)
Partner
Membership No. 035373

(R.P. SONI)
Chairman
(DIN 00401439)

(S. N. MODANI)
Managing Director & CEO
(DIN 00401498)

(V. K. SODANI)
Executive Director
(DIN 00403740)

Place: Mumbai
Date: 5th May, 2021

Place : Bhilwara
Date: 5th May, 2021

(ANURAG SONI)
Chief Financial Officer &
Whole-time Director
(DIN 03407094)

(A. K. JAIN)
Company Secretary
(M No: F-7842)

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	2020-21	2019-20
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	343	2,017
Adjustments for :-		
Depreciation and Amortisation Expense	8,052	8,100
Finance Costs	4,923	6,865
Bad Debts / Allowance for Doubtful Debts	863	30
Advances Written Off	252	-
Interest Income	(442)	(773)
Foreign Exchange Fluctuation Gain/ (Loss) (Net)	(313)	66
Profit on Sale of Property, Plant & Equipments (Net)	(140)	(32)
Operating Profit before working capital changes	13,538	16,273
Movements in Working Capital :-		
(Increase) / Decrease in Inventories	(400)	(1,348)
(Increase) / Decrease in Trade Receivables	468	5,935
(Increase) / Decrease in Other Financial Assets	(502)	(156)
(Increase) / Decrease in Other Assets	(754)	2,366
Increase / (Decrease) in Trade Payables	134	(4,997)
Increase / (Decrease) in Other Financial Liabilities	516	(84)
Increase / (Decrease) in Provisions	700	71
Increase / (Decrease) in Other Liabilities	(285)	133
Cash Generated from Operations	13,415	18,193
Taxes Paid / (Refund) (Net)	179	(130)
Net Cash Inflow / (Out Flow) from Operating Activities	13,236	18,323
B Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipments	(6,104)	(4,821)
Sale of Property, Plant & Equipments	854	190
Interest Income	376	764
Sale of Investment	581	-
Net Cash Inflow / (Outflow) from Investing Activities	(4,293)	(3,867)
C Cash Flow from Financing Activities		
Proceeds from issue of Equity Share Capital	2,000	-
Proceeds from Long Term Borrowings	4,588	766
Repayment of Long Term Borrowings	(5,461)	(7,110)
Increase / (Decrease) in Short- Term Borrowings	(4,953)	391
Finance Costs	(5,078)	(6,731)
Dividend Paid (Including Tax on Dividend)	(396)	(476)
Net Cash Inflow / (Out Flow) from Financing Activities	(9,300)	(13,160)
Net Increase/(Decrease) in Cash & Cash equivalents	(357)	1,296
Cash and Cash Equivalents at the Beginning	1,363	67
Cash and Cash Equivalents at the End	1,006	1,363

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Change in Liability arising from financing activities

(₹ in Lakhs)

Particulars	As at 31 st March, 2020	Cash Flow	As at 31 st March, 2021
Borrowing - Non Current (Refer Note No. 17)	28,878	(873)	28,005
Borrowing - Current (Refer Note No. 19)	35,899	(4,953)	30,946
Total	64,777	(5,826)	58,951

Particulars	As at 31 st March, 2019	Cash Flow	As at 31 st March, 2020
Borrowing - Non Current (Refer Note No. 17)	35,223	(6,345)	28,878
Borrowing - Current (Refer Note No. 19)	35,507	392	35,899
Total	70,730	(5,953)	64,777

As per our Report of even date

For and on the Behalf of the Board

FOR RAJENDRA & CO.Chartered Accountants
(Firm Registration No. 108355W)**(AKSHAY R. SHAH)**Partner
Membership No.103316

Place: Mumbai

Date: 5th May, 2021**FOR O. P. DAD & CO.**Chartered Accountants
(Firm Registration No. 002330C)**(O. P. DAD)**Partner
Membership No. 035373

Place : Bhilwara

Date: 5th May, 2021**(R.P. SONI)**Chairman
(DIN 00401439)**(S. N. MODANI)**Managing Director & CEO
(DIN 00401498)**(ANURAG SONI)**Chief Financial Officer &
Whole-time Director
(DIN 03407094)**(V. K. SODANI)**Executive Director
(DIN 00403740)**(A. K. JAIN)**Company Secretary
(M No: F-7842)

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2021

(a) Equity share capital

(₹ in Lakhs)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	3,94,21,559	3,942	3,94,21,559	3,942
Changes in equity share capital during the year	40,00,000	400	-	-
Balance at the end of the reporting year	4,34,21,559	4,342	3,94,21,559	3,942

(b) Other equity

(₹ in Lakhs)

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	General Reserve	Retained Earnings	Capital Reserve	Preference Share Capital Redemption Reserve	Securities Premium	Remeasurement of Defined Benefit Plans	Effective Portion of Cash Flow Hedges	
Balance at 31st March 2019	22,818	18,488	297	1,178	5,868	90	-	48,739
Profit for the year	-	1,330	-	-	-	-	-	1,330
Other comprehensive income/ (loss) for the year	-	-	-	-	-	(2)	(210)	(212)
Total comprehensive income for the year	-	1,330	-	-	-	(2)	(210)	1,118
Transfer to general reserve	-	-	-	-	-	-	-	-
Dividend paid	-	(394)	-	-	-	-	-	(394)
Dividend distribution tax	-	(81)	-	-	-	-	-	(81)
Balance at 31st March 2020	22,818	19,343	297	1,178	5,868	88	(210)	49,382
Balance at the beginning of the reporting year	22,818	19,343	297	1,178	5,868	88	(210)	49,382
Profit for the year	-	538	-	-	-	-	-	538
Other comprehensive income for the year	-	-	-	-	-	259	235	494
Total comprehensive income for the year	-	538	-	-	-	259	235	1,032
Issue of Equity Shares	-	-	-	-	1,600	-	-	1,600
Dividend paid	-	(394)	-	-	-	-	-	(394)
Dividend distribution tax	-	-	-	-	-	-	-	-
Balance at 31st March, 2021	22,818	19,487	297	1,178	7,468	347	25	51,620

The accompanying notes are an integral part of these financial statements

As per our Report of even date

For and on the Behalf of the Board

FOR RAJENDRA & CO.
Chartered Accountants
(Firm Registration No. 108355W)

FOR O. P. DAD & CO.
Chartered Accountants
(Firm Registration No. 002330C)

(AKSHAY R. SHAH)
Partner
Membership No.103316

(O. P. DAD)
Partner
Membership No. 035373

(R.P. SONI)
Chairman
(DIN 00401439)

(S. N. MODANI)
Managing Director & CEO
(DIN 00401498)

(V. K. SODANI)
Executive Director
(DIN 00403740)

Place: Mumbai
Date: 5th May, 2021

Place : Bhilwara
Date: 5th May, 2021

(ANURAG SONI)
Chief Financial Officer &
Whole-time Director
(DIN 03407094)

(A. K. JAIN)
Company Secretary
(M No: F-7842)

NOTES ON STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

1. GENERAL INFORMATION:

Sangam (India) Limited ("the Company"), is a public limited company domiciled in India and was incorporated on 29.12.1984 under the provisions of the Companies Act, 1956 (now replaced by Companies Act 2013) as applicable in India. Its shares are listed on National Stock Exchange of India (NSE) and Bombay Stock Exchange (BSE) of India.

The registered office of the Company is located at Atun, Chittorgarh Road, Bhilwara – 311 001, Rajasthan, India.

The Company is principally engaged in the business of manufacturing and selling of Synthetic Blended, Cotton & Texturised yarn, Fabrics, Denim Fabrics and readymade seamless garment.

The Company has manufacturing facilities at Atun, Biliya Kalan & Sareri in district Bhilwara and Soniyana in district Chittorgarh in Rajasthan and caters both the domestic and export markets.

The Company is having 5MW Wind Power Generation facility at Jaisalmer, Rajasthan.

1.1. BASIS OF PREPARATION:

A. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements were approved for issue in accordance with the resolution of the Board of Directors as per its meeting held on 5th May, 2021.

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest lakhs, except as stated otherwise.

C. Basis of measurement

The financial statements have been prepared under the historical cost convention on accrual basis. The following items are measured on each reporting date as under:

Items	Measurement Basis
Net defined benefit(asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

D. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- Classification of leases into finance or operating lease
- Leases: whether an arrangement contains a lease.
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the subsequent period financial statements is included below:

- Estimation of current and deferred tax expense and asset / liability.
- Estimated useful life of property, plant and equipment.
- Estimation of defined benefit obligation.
- Measurement and likelihood of occurrence of provisions and contingencies.
- Impairment of trade receivables.

E. Measurement of fair values

Company's accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the controller.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized in a fair value hierarchy based on the inputs used in the valuation techniques as under:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted price included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2. SIGNIFICANT ACCOUNTING POLICIES:

A. Current and non-current classification

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

Assets:

An asset is classified as current when it satisfies any of the following criteria:

- a) It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realised within twelve months after the reporting date; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- a) It is expected to be settled in the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within twelve months after the reporting date; or
- d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets/ liabilities are classified as non-current.

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

B. Property, plant and equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Property, plant and equipment acquired on hire purchase basis are recognised at their cash values. For qualifying assets, borrowing costs are capitalised in accordance with the Company's accounting policy.

For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of PPE measured as per I-GAAP less accumulated depreciation and cumulative impairment on the transition date of 1st April, 2016.

PPE not ready for the intended use on the date of the Balance Sheet is disclosed as "capital work-in-progress".

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land and properties under construction) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Depreciation on additions to/deductions from, owned assets is calculated pro rata to the period of use.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Assets acquired under finance leases are depreciated on a straight line basis over the lease term. Where there is reasonable certainty that the Company shall obtain ownership of the assets at the end of the lease term, such assets are depreciated based on the useful life prescribed under Schedule II to the Companies Act, 2013 or based on the useful life adopted by the Company for similar assets.

Freehold land is not depreciated.

An item of Property, plant and equipment is derecognized when it is estimated that Company will not receive future economic benefits from its use or upon its disposal. Any gains and losses on disposal of such item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

C. Depreciation and amortisation:

Depreciation method, estimated useful lives and residual values are determined based on technical parameters / assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The estimated useful life of Property, Plant & Equipment is aligned to the useful life specified under Schedule II to the Companies Act, 2013 except useful life for computing depreciation in the following case:

Assets	Useful Life estimated by the management (Based on Technical Evaluation)
Plant and Equipment and Electrical Installations:	
(i) For Textiles	9.19 years
(ii) For Power Generation	18 years

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the Property, Plant and Equipment are likely to be used.

Depreciation on additions to property, plant and equipment is provided on a pro-rata basis from the date of acquisition or installation, and in the case of a new project, from the date of commencement of commercial production.

Depreciation on an item of property, plant and equipment sold, discarded, demolished or scrapped, is provided up to the date on which such item of property, plant and equipment is sold, discarded, demolished or scrapped.

Capitalised spares are depreciated over their own estimated useful life or the estimated useful life of the parent asset whichever is lower.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

D. Intangible assets

Intangible assets that are acquired by the Company, that have finite useful lives, are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

Subsequent expenditures related to an item of intangible assets are added to its carrying amount when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Any gains and losses on disposal of such intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

Finite life intangible assets are amortised on a straight line basis over the period of their expected useful lives.

Amortisation

A summary of the policies applied to the intangible assets is, as follows:

Intangible assets	Useful life Amortisation method used
Computer software	Finite (5 years)

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

E. Research and development expenditure on new products:

(i) Expenditure on research is expensed under respective heads of account in the period in which it is incurred.

(ii) Development expenditure on new products is capitalised as intangible asset, if all of the following can be demonstrated:

A. The technical feasibility of completing the intangible asset so that it will be available for use or sale;

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

- B. The Company has intention to complete the intangible asset and use or sell it;
- C. The Company has ability to use or sell the intangible asset;
- D. The manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets;
- E. The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- F. The Company has ability to reliably measure the expenditure attributable to the intangible asset during its development.

Development expenditure that does not meet the above criteria is expensed in the period in which it is incurred.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "intangible assets under development".

F. Impairment of assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, investment property, intangible assets and investments in subsidiary company to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. The intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- (i) In the case of an individual asset, at the higher of the net selling price and the value in use; and
- (ii) In the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Company suitably adjusted for risks specified to the estimated cash flows of the asset. For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

G. Financial Instruments

i. Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial assets are recognised at fair value on initial recognition.

Financial assets are subsequently classified as measured at:

- Amortised cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVTOCI)

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of financial assets

The Company recognises loss allowances for expected credit losses on:

- Financial assets measured at amortised cost; At each reporting date, the Company assesses whether financial assets carried at amortised cost has impaired and provisions are made for impairment accordingly. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company measures loss allowances at an amount equal to lifetime expected credit losses,

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

except for the following, which are measured as 12 month expected credit losses:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

ii. Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual

provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

Financial liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

iii. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

iv. Derivative financial instruments and hedging activities

A derivative is a financial instrument which changes value in response to changes in an underlying asset and is settled at a future date. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:

- (a) hedges of the fair value of recognised assets or liabilities (fair value hedges); or
- (b) hedges of a particular risk associated with a firm commitment or a highly probable forecasted transaction (cash flow hedges).

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Movements in the hedging reserve are accounted in other comprehensive income and are shown within the statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(a) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(b) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The ineffective portion of changes in the fair value of the derivative is recognised in the Statement of Profit and Loss. Gains or losses accumulated in equity are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects the Statement of Profit and Loss.

When a hedging instrument expires or swapped or unwound, or when a hedge no longer meets the criteria for hedge accounting, any accumulated gain or loss existing in statement of changes in equity is recognised in the Statement of Profit and Loss.

When a forecasted transaction is no longer expected to occur, the cumulative gains/losses that were reported in equity are immediately transferred to the Statement of Profit and Loss.

H. Borrowing costs

Borrowing costs include interest expense calculated using the effective interest method (EIR), finance charges in respect of assets acquired on finance lease and exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs net of any investment income from the temporary investment of related borrowings, which are attributable to the acquisition, construction or production of a qualifying asset are capitalized / inventoried as part of cost of such asset till such time the asset is ready for its intended use or sale.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

I. Income tax

Income tax comprises current and deferred tax. It is recognised in statement of profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- Temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction;
- Temporary differences related to investment in subsidiary to the extent that the Company

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets- unrecognized or recognized, are reviewed at each reporting date and are recognized /reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized.

Minimum Alternate Tax ('MAT') credit is recognised 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. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

J. Inventories

Inventories are valued at the lower of cost and net realizable value after providing for obsolesces and damages as under:

(i)	Raw and packing materials, stores and spares including fuel	At Cost on FIFO / weighted Averages basis
(ii)	Stock in process	At Cost plus appropriate related production overheads
(iii)	Stock in trade and Finished Goods	At Cost, plus appropriate production overheads

Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is

determined on first in first out (FIFO) basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

K. Cash and cash equivalents

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

L. Foreign currency translation

- The functional currency and presentation currency of the Company is Indian Rupee.
- Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date.

At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

M. Employee benefits

i. Defined benefit obligations

(a) Post-employment benefits (Gratuity):

The liability recognised in balance sheet in respect of gratuity (unfunded) is the present value of defined benefit obligation at the end of reporting period less fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using projected unit credit method.

Remeasurement actuarial gains and losses arising from experience adjustments and changes in actuarial

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement if changes in equity and in the balance sheet.

(b) Other employee benefits:

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method.

ii. Defined contribution plan:

Company pays contributions to provident fund, employee pension scheme and employee state insurance as per statutes / amounts as advised by the Authorities. The Company has no further obligations once the contributions have been paid. The contributions are accounted for as defined contribution plan and the contributions are recognised as employee benefit expense when they are due.

iii. Short-term benefits:

Liabilities for salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of reporting period in which the employees rendered the related services are recognised in respect of employee's service up to the end of reporting period and are measured at the amount expected to be paid when the liabilities are settled. These liabilities are presented as current employee benefit obligations in the balance sheet.

N. Provision and contingent liabilities

The Company sets up a provision when there is a present legal or constructive obligation as a result of a past event and it will probably requires an outflow of resources to settle the obligation and a reliable estimate can be made. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or where reliable estimate of the obligation cannot be made. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

O. Contingent Assets

Contingent Assets are not recognised in the financial statements. However, these are disclosed in the Director's report.

P. Revenue recognition

(i) Revenue from operations

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration the Company is entitled in exchange for those goods or services.

A. Sale of goods

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

B. Rendering of services

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

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

In case of discounts, rebates, credits, price incentives or similar terms, consideration are determined based on its most likely amount, which is assessed at each reporting period.

C. Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

(ii) Other income

- A. Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate.
- B. Dividend income is accounted in the period in which the right to receive the same is established.
- C. Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably

Q. Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the notes to accounts.

R. Government grants

Grants from government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of profit and loss account over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight line basis over the expected lives of the related assets and presented within other income.

S. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ('CODM').

The Company's Board has identified the CODM who is responsible for financial decision making and assessing performance. The Company has a single operating segment as the operating results of the Company are reviewed on an overall basis by the CODM.

T. Leases

As lessee

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset.

Initial measurement

Lease Liability: At the commencement date, a Company measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate. **Right-of-use assets:** initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

Subsequent measurement

Lease Liability: Company measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications. **Right-of-use assets:** subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

line basis over the shorter of the lease term and useful life of the under lying asset.

Impairment

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Short term Lease or Low Value Lease

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. Low value lease is for which the underlying asset is of low value. If the company elected to apply short term lease/Low Value Lease, the lessee shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has

adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standard prospectively to its leases.

U. Earnings per share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

V. Estimation uncertainty relating to the global health pandemic on COVID-19

The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipments, intangible assets, right of use assets, investments, inventories and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. It has also assessed the probability of occurrence of forecasted transactions under the hedging relationships and continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these standalone Ind AS financial statements. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

3. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 st March, 2020	Additions	Deletions	As at 31 st March, 2021	As at 31 st March, 2020	Additions	Deletions	As at 31 st March, 2021	As at 31 st March, 2021	As at 31 st March, 2020
Tangible Assets										
Freehold land	1,416	1,354	35	2,735	-	-	-	-	2,735	1,416
Building	21,368	152	610	20,910	2,858	788	32	3,614	17,296	18,510
Plant and Machinery	59,110	3,651	58	62,703	24,201	6,136	-	30,337	32,366	34,909
Wind Power Machines	874	-	-	874	456	114	-	570	304	418
Electric Installation	5,845	80	-	5,925	2,026	582	-	2,608	3,317	3,819
Water Supply Installation	562	16	-	578	81	22	-	103	475	481
Furniture and Fixtures	1,396	11	1	1,406	524	134	-	658	748	872
Vehicles	1,440	448	49	1,839	552	154	7	699	1,140	888
Office Equipments	68	3	-	71	45	8	-	53	18	23
Computers	378	36	-	414	234	67	-	301	113	144
Assets under Finance Lease										
Leasehold Land	50	-	-	50	4	1	-	5	45	46
Total	92,507	5,751	753	97,505	30,981	8,006	39	38,948	58,557	61,526
Previous Year	87,639	5,018	150	92,507	22,904	8,081	4	30,981	61,526	
Capital Work-in-Progress									881	602

4. INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 st March, 2020	Additions	Deletions	As at 31 st March, 2021	As at 31 st March, 2020	Additions	Deletions	As at 31 st March, 2021	As at 31 st March, 2021	As at 31 st March, 2020
Intangible Assets										
Software IT (ERP)	144	430	-	574	73	46	-	119	455	71
Total	144	430	-	574	73	46	-	119	455	71
Previous Year	129	26	11	144	54	19	-	73	71	
Intangible Assets under Development									-	356

Break up of Pre - Operative Expenses capitalised / deferred for capitalisation under Capital Work in Progress:

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Opening Balance	19	31
Financial Charges	-	57
Direct Costs Attributable to Project	3	10
Total Amount	22	98
Less: Expenses apportioned to fixed assets	19	79
Balance yet to be allocated	3	19

Note 1:- Borrowing cost capitalized refer Note No. 30

Note 2:- Property, Plant and Equipment given as security for borrowings refer Note No. 17

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

5. INVESTMENTS-NON CURRENT

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Unquoted Non - Trade Investments		
In Equity Instrument		
(Measured at Cost)		
Unquoted, fully paid up		
Investment in wholly owned Subsidiary Company		
Equity Shares of ₹ 10/- each fully paid up		
Sangam Lifestyle Ventures Ltd.	5	5
50000 (Previous Year 50000)		
Investment - Others		
Equity Shares of ₹ 10/- each fully paid up		
Keti Sangam Infrastructure (India) Ltd.	-	581
NIL (Previous Year 580600)		
PKSS Infrastructure Pvt. Ltd.	-	-
3900 (Previous Year 3900) ₹ 0.39 Lakh (Previous Year ₹ 0.39 Lakh)		
Kalyan Sangam Infratech Ltd.	4	4
37500 (Previous Year 37500)		
Equity Shares of ₹ 20/- each fully paid		
AP Mahesh Co-Operative Bank Ltd.	-	-
50 (Previous Year 50)		
₹ 0.01 Lakh (Previous Year ₹ 0.01 Lakh)		
Aggregate Amount of unquoted investments	9	590

6. OTHER FINANCIAL ASSETS

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Security Deposits	989	949
TOTAL	989	949

7. OTHER NON-CURRENT ASSETS

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Capital Advances	499	532
Prepaid Expenses	92	107
TOTAL	591	639

7.1 for all the transaction with related party Refer Note No. 37

8. INVENTORIES

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Raw Materials	13,374	10,256
Stock-in-Process	7,256	6,349
Finished Goods	13,197	16,843
Traded Goods	180	184
Stores, Spares & Fuel	3,146	3,121
TOTAL	37,153	36,753

8.1 For basis of valuation of inventories Refer Note No. 2 J

8.2 Inventories as above are hypothecated to secured short term borrowings (Refer Note No. 19.1)

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

9. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Trade Receivables considered good - Unsecured	29,396	30,435
Trade Receivables - Credit Impaired	283	281
	29,679	30,716
Less: Provision for Trade Receivables	283	281
TOTAL	29,396	30,435
9.1 Included in the above Receivables amount due from wholly owned subsidiary company	1,646	1,802
9.2 Included in the above Receivables amount due from Other Related Party	-	48
9.3 Above Trade Receivables are hypothecated to secured short term borrowings (Refer Note No. 19.1)		

10. CASH & CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Balance with Banks	11	829
Cash on Hand	4	4
TOTAL	15	833

11. OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Earmarked Balances with banks for Unclaimed & Unpaid Dividends	22	23
Fixed Deposits with banks against Margin Money*	969	507
TOTAL	991	530

* These term deposits are placed as a security in favour of bank guarantees issued to various government authorities and against letter of credit issued by banks.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

12. OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)		
Particulars	As at 31 st March, 2021	As at 31 st March, 2020
(Considered Good)		
Security Deposits*	272	801
Recoverable from NHAI UP Towards Arbitration Award (Refer Note No. 35)	1,367	1,367
Export Incentive Receivable	658	489
Export Growth Entitlement Receivables	408	408
GST Refund Receivable	490	484
Subsidy Receivable	1,344	1,063
Advances for Expenses	20	20
Less : Allowances for Advances	(20)	(20)
Inter Corporate Deposits - Unsecured	600	-
Advance to Employees	97	58
Interest Receivable	258	193
Accrued Income	19	75
Insurance Claim Receivable	6	14
TOTAL	5,519	4,952
* Included in the above Security Deposits amount from Other Related Party	-	516

13. CURRENT TAX ASSETS (NET)

(₹ in Lakhs)		
Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Income Tax Refund Receivable	564	445
TOTAL	564	445

14. OTHER CURRENT ASSETS

(₹ in Lakhs)		
Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Recoverable from Govt.	52	52
Advance to Employees (For Expenses)	4	14
Advance against Supplies	3,271	2,431
GST Balances	2,847	3,181
GST / Excise / VAT Recoverable	84	100
Prepaid Expenses	279	249
TOTAL	6,537	6,027

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

15. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Authorised Share Capital:		
6,40,00,000 (Previous Year 6,40,00,000) Equity share of ₹ 10 each	6,400	6,400
1,85,00,000 (Previous Year 1,85,00,000) Non - Cumulative Redeemable Preference Shares of ₹ 10 each	1,850	1,850
TOTAL	8,250	8,250
Issued, Subscribed and Paid Up:		
4,34,21,559 (Previous Year 3,94,21,559) Equity share of ₹ 10 each fully paid up	4,342	3,942
TOTAL	4,342	3,942

a. Terms and Rights attached to Equity Shares

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 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. There is no restriction on distribution of dividend. However, same is subject to the approval of the shareholders in the Annual General Meeting.

b. Reconciliation of number of shares outstanding at the beginning and end of the year:

Equity Shares as at 31 st March, 2020	3,94,21,559	3,94,21,559
Add: Shares Issued During the year	40,00,000	-
Equity Shares as at 31 st March, 2021	4,34,21,559	3,94,21,559

c. Shareholders' holding more than 5% shares in the Company:

(₹ in Lakhs)

Name of the Shareholder	As at 31 st March, 2021		As at 31 st March, 2020	
	No. of Shares	% held	No. of Shares	% held
Sangam E-Com Limited	78,73,087	18.13	78,73,087	19.97
Authum Investment and Infrastructure Limited	49,83,634	11.48	50,12,355	12.71
Nidhi Mercantiles Ltd.	48,98,833	11.28	48,98,833	12.43
Anurag Soni	37,10,397	8.55	27,10,397	6.87
Hawamahal Finance Pvt. Ltd.	23,35,500	5.38	23,35,500	5.92
Sangam Fincap Ltd.	22,16,145	5.10	22,16,145	5.62

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

16. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Capital Reserve		
Balance at the beginning of the year	297	297
Addition during the Financial Year	-	-
Balance at the end of the year	297	297
Securities Premium		
Balance at the beginning of the year	5,868	5,868
Addition during the Financial Year	1,600	-
Balance at the end of the year	7,468	5,868
Preference Share Capital Redemption Reserve		
Balance at the beginning of the year	1,178	1,178
Addition during the Financial Year	-	-
Balance at the end of the year	1,178	1,178
General Reserve		
Balance at the beginning of the year	22,818	22,818
Add: Transferred from Retained Earnings	-	-
Balance at the end of the year	22,818	22,818
Retained Earnings		
Balance at the beginning of the year	19,343	18,488
Add: Profit for the year	538	1,330
Less: Appropriations		
Transferred to General Reserve	-	-
Dividend on Equity Shares	394	394
Dividend Distribution Tax on Dividend *	-	81
Balance at the end of the year	19,487	19,343
Other Comprehensive Income		
Balance at the beginning of the year	(122)	90
Addition during the year	494	(212)
Balance at the end of the year	372	(122)
TOTAL	51,620	49,382

* Dividend Distribution Tax is not applicable from April 1, 2020.

Nature and Purpose of Other Reserves / Other Equity

16.1 Capital Reserve

Capital Reserve created on account of merger / amalgamation. The balance will be utilized for issue of fully paid bonus shares and as per provisions of the Companies Act, 2013.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

16.2 Securities Premium

Balance of Security premium consist of premium on issue of share over its face value. The balance will be utilised for issue of fully paid bonus shares , buy-back of its own share as per provisions of the Companies Act, 2013.

16.3 Preference Share Capital Redemption Reserve

Preference Share Capital Redemption Reserve represents the statutory reserves created when the capital is redeemed and the same will be utilised for issue of bonus share as per provisions of the Companies Act, 2013.

16.4 General Reserve

The Company appropriates a portion to General Reserves out of the profits voluntarily to meet future contingencies. The said reserves is available for payment of dividend to the shareholders as per the provisions of the of the Companies Act, 2013.

16.5 Remeasurement of defined benefit plans

Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:

- (a) Actuarial Gains and Losses
- (b) The return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
- (c) Any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

16.6 Dividend

The following dividends were declared and paid by the Company during the year.

(₹ in Lakhs)		
Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Dividend for the year ended 31 st March, 2020 ₹ 1 per share (31 st March, 2019 ₹ 1 per share)	394	394
Dividend Distribution Tax on dividend *	-	81
TOTAL	394	475

* Dividend Distribution Tax is not applicable from 1st April, 2020.

17. BORROWINGS

(₹ in Lakhs)		
Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Secured		
Term Loans From Banks		
Rupee Loans	19,945	23,939
Vehicle Loans From Banks	493	289
TOTAL (A)	20,438	24,228

17.1 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 all 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 bankers. The above Term Loans are further secured by personal guarantee of two directors of the company.

17.2 Vehicle Loans (including current maturities) are secured by hypothecation of respective vehicle(s)

17.3 There is no default in repayment or interest of any loans on due dates.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

A) Floating Rate-Carrying Floating interest rate MCLR + 0.75% to 3.90%

(₹ in Lakhs)

Date of Maturity	Outstanding as on 31 st March, 2021			Installments due after 31 st March, 2021 (Quarterly)
	Total Outstanding	Long Term Maturity	Current Maturity	
From Banks:				
20 th September, 2021	320	-	320	2
20 th March, 2024	1,800	1,200	600	12
30 th June, 2024	2,800	1,800	1,000	14
31 st December, 2024	3,892	2,737	1,155	15
01 st July, 2025	4,177	3,535	642	17
30 th June, 2026	8,923	7,823	1,100	21
01 st October, 2028	2,194	2,048	146	31
Sub Total (A)	24,106	19,143	4,963	

B) Carrying interest rate (1 Year MCLR)

(₹ in Lakhs)

Date of Maturity	Outstanding as on 31 st March, 2021			Installments due after 31 st March, 2021 (Monthly)
	Total Outstanding	Long Term Maturity	Current Maturity	
From Banks:				
31 st July, 2022	1,822	454	1,368	16
Sub Total (B)	1,822	454	1,368	

C) Carrying interest rate (1 Year MCLR+0.50%)

(₹ in Lakhs)

Date of Maturity	Outstanding as on 31 st March, 2021			Installments due after 31 st March, 2021 (Monthly)
	Total Outstanding	Long Term Maturity	Current Maturity	
From Banks:				
31 st July, 2022	1,420	349	1,071	17
Sub Total (C)	1,420	349	1,071	
TOTAL (A+B+C)	27,348	19,946	7,402	

Vehicle Loans from Banks & Financial Institutions

D) Carrying Fixed interest rate 7.5% to 10.60%

(₹ in Lakhs)

Particulars	Outstanding as on 31 st March, 2021			Installments due after 31 st March, 2021 (Monthly)
	Total Outstanding	Long Term Maturity	Current Maturity	
From Banks:	657	492	165	1-82
Sub Total (D)	657	492	165	
GRAND TOTAL (A+B+C+D)	28,005	20,438	7,567	

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

A) Floating Rate-Carrying Floating interest rate MCLR + 0.75% to 3.90%

(₹ in Lakhs)

Date of Maturity	Outstanding as on 31 st March, 2020			Installments due after 31 st March, 2020 (Quarterly)
	Total Outstanding	Long Term Maturity	Current Maturity	
From Banks:				
31 st March, 2021	1,366	-	1,366	3
20 th June, 2021	640	160	480	4
20 th December, 2023	2,100	1,650	450	14
30 th June, 2024	3,200	2,600	600	16
31 st December, 2024	4,837	3,937	900	18
01 st July, 2025	4,692	4,348	344	20
30 th September, 2026	9,375	9,050	325	25
Sub Total (A)	26,210	21,745	4,465	-

B) Carrying interest rate (Fixed Rate @ 9.25%.)

(₹ in Lakhs)

Date of Maturity	Outstanding as on 31 st March, 2020			Installments due after 31 st March, 2020 (Quarterly)
	Total Outstanding	Long Term Maturity	Current Maturity	
From Banks:				
01 st October, 2028	2,250	2,194	56	33
Sub Total (B)	2,250	2,194	56	
Total Rupee Term Loan (A+B)	28,460	23,939	4,521	

Vehicle Loans from Banks & Financial Institutions

C) Carrying Fixed interest rate 8.46% to 10.60%

(₹ in Lakhs)

Particulars	Outstanding as on 31 st March, 2020			Installments due after 31 st March, 2020 (Monthly)
	Total Outstanding	Long Term Maturity	Current Maturity	
From Banks:	416	289	127	1-84
From Institutions	2	-	2	9
Sub Total (C)	418	289	129	
Grand Total (A+B+C)	28,878	24,228	4,650	

18. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Deferred Tax Assets		
Accrued expenses allowable on payment basis	715	793
Allowance for Bad & Doubtful Debts	106	105
sub total (a)	821	898
Deferred Tax Liabilities		
Related to Property, Plant and Equipment and Intangible Assets	6,183	6,392
Others	13	(113)
sub total (b)	6,196	6,279
Less : MAT Credit Entitlement (c)	246	262
Deferred Tax Liabilities (Net) (b)-(a)-(c)	5,129	5,119

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(₹ in Lakhs)

A. Movement in deferred tax balances	As at 31 st March, 2020	Recognized in P&L	Recognized in OCI	As at 31 st March, 2021
(a) Deferred Tax Assets				
Accrued expenses allowable on payment basis	793	61	(139)	715
Allowance for Bad & Doubtful Debts	105	1	-	106
Sub-Total (a)	898	62	(139)	821
(b) Deferred Tax Liabilities				
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortization for financial reporting	6,392	(209)	-	6,183
Fair value changes on derivatives designated as cash flow hedges	(113)	(1)	127	13
Sub-Total (b)	6,279	(210)	127	6,196
MAT Credit Entitlement				
MAT Credit Earlier Year	262	647	-	909
MAT Credit Current Year	-	-	-	(663)
Sub-Total (c)	262	647	-	246
Deferred Tax Liabilities (Net) (b)-(a)-(c)	5,119	(919)	266	5,129

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	Recognized in P&L	Recognized in OCI	As at 31 st March, 2020
(a) Deferred Tax Assets				
Accrued expenses allowable on payment basis	619	173	1	793
Allowance for Bad & Doubtful Debts	101	4	-	105
Sub-Total (a)	720	177	1	898
(b) Deferred Tax Liabilities				
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortization for financial reporting	6,645	(253)	-	6,392
Fair value changes on derivatives designated as cash flow hedges	-	-	(113)	(113)
Sub-Total (b)	6,645	(253)	(113)	6,279
MAT Credit Entitlement				
MAT Credit Earlier Year	1,118	-	-	1,118
MAT Credit Current Year	-	-	-	(856)
Sub-Total (c)	1,118	-	-	262
Deferred Tax Liabilities (Net) (b)-(a)-(c)	4,807	(430)	(114)	5,119

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(₹ in Lakhs)

B. Amounts recognised in profit or loss	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Current tax expense		
Current Year	724	1,232
Earlier Years	(647)	(115)
	77	1,117
Deferred tax expense		
Origination and reversal of temporary differences	(272)	(430)
	(272)	(430)
Total Tax Expense	(195)	687

(₹ in Lakhs)

C. Amounts recognised in Other Comprehensive Income	For the year ended 31 st March, 2021		
	Before tax	Tax (Expense) / Income	Net of tax
Remeasurements of defined benefit liability	398	(139)	259
Fair value changes on derivatives designated as cash flow hedges	362	(127)	235
TOTAL	760	(266)	494

	For the year ended 31 st March, 2020		
	Before tax		Net of tax
Remeasurements of defined benefit liability	(3)	1	(2)
Fair value changes on derivatives designated as cash flow hedges	(323)	113	(210)
	(326)	114	(212)

(₹ in Lakhs)

D. The income tax expenses for the year reconciled to the accounting profit as follows :	2020-21	2019-20
Profit Before Tax	343	2,017
Applicable Tax Rate	34.94%	34.94%
Computed Tax Expense	120	705
Tax effect of :		
Exempted income / Items Considered Separately	(49)	(11)
Expenses Disallowed	850	903
Additional Allowances	(197)	(365)
Current Tax Provision (A)	724	1,232
Incremental Deferred Tax Liability on account of Tangible and Intangible Assets	(272)	(430)
Taxes recognised in Statement of Profit & Loss (B)	(272)	(430)
Net Taxes (A+B)	452	802
Effective Tax Rate	131.68%	39.75%

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

19. BORROWINGS

(₹ in Lakhs)		
Particulars	2020-21	2019-20
Secured		
Loans Repayable on Demand from Banks		
Rupee Loans	23,944	28,330
Foreign Currency Loans	7,002	6,824
TOTAL (A)	30,946	35,154
Unsecured		
Loans Repayable on Demand from Others		
Rupee Loans (Refer Note No. 19.5)	-	745
TOTAL (B)	-	745
TOTAL (A+B)	30,946	35,899

19.1 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 immoveable and moveable Property, Plant & Equipments of the company. The above borrowing are further secured by personal guarantee of two directors of the company. There is no default in repayment or interest of any loans on due dates.

19.2 Rupee Loans carry floating interest rate from 7.50% to 10.50% per annum, computed monthly.

19.3 Rupee Loans from Banks includes a loan of ₹ NIL (Previous Year ₹ 638 Lakhs) from Indusind Bank Ltd. Which is secured by pledge of cotton bales.

19.4 Foreign Currency Loans carry floating interest rate LIBOR+1.30 to 4.30% per annum, computed monthly.

19.5 Unsecured Rupee Loan from others carrying interest rate 11.00% per annum, computed monthly.

20. TRADE PAYABLES

(₹ in Lakhs)		
Particulars	2020-21	2019-20
Total outstanding dues of Micro enterprises and Small enterprises (Refer Note No. 36)	630	757
Total outstanding dues of creditors other than micro enterprises and Small enterprises	10,942	10,702
TOTAL	11,572	11,459

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

21. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	2020-21	2019-20
Current maturities of long term debt	7,567	4,650
Interest accrued but not due on borrowings	75	231
Unpaid Dividends #	22	23
Creditors for Capital Expenditure	895	238
Security Deposit	378	272
Liability towards Staff and Workers	1,805	1,023
Commission Payable on Sales	1,188	1,580
Liabilities for Expenses * [§]	2,978	3,615
TOTAL	14,908	11,632
# There is no overdue amount to be credited to investor education & protection fund.		
* Include total outstanding dues of micro enterprises and small enterprises	21	36
§ Included in the above amount due to Relatives of Key Managerial Persons	-	26

22. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	2020-21	2019-20
Security Deposit	2	189
Advance from Customers	713	779
Liabilities for Expenses	76	83
Statutory Dues	237	262
TOTAL	1,028	1,313

23. PROVISIONS

(₹ in Lakhs)

Particulars	2020-21	2019-20
Provisions for Employee Benefits	1,674	1,734
TOTAL	1,674	1,734

24. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	2020-21	2019-20
Sale of Products/ Income from Services	1,35,355	1,78,297
TOTAL	1,35,355	1,78,297

(₹ in Lakhs)

PARTICULARS OF SALE OF PRODUCTS/SERVICES	2020-21	2019-20
a) Sale of Products		
Finished Goods	1,26,978	1,64,312
Traded Goods	959	4,108
TOTAL	1,27,937	1,68,420

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(₹ in Lakhs)

PARTICULARS OF SALE OF PRODUCTS/SERVICES	2020-21	2019-20
b) Sale of Services		
Job Processing	5,081	7,094
TOTAL	5,081	7,094
c) Other Operating Revenues		
Sale of Waste	1,074	1,113
Export Benefits / Incentives	1,263	1,670
TOTAL	2,337	2,783
TOTAL (a+b+c)	1,35,355	1,78,297

25. OTHER INCOME

(₹ in Lakhs)

Particulars	2020-21	2019-20
Interest Income on Financial Assets at amortized cost		
from Customers	341	544
from Others	101	228
Other Non-Operating Income		
Insurance Claim	5	-
Rent	4	1
Net Gain on Foreign Currency Fluctuation	359	-
Profit on Sale of Property, Plant & Equipment (Net)	140	32
Miscellaneous Receipts	32	43
TOTAL	982	848

26. COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	2020-21	2019-20
Raw Material Consumed	65,462	90,159
Consumption of Dyes & Chemical	5,231	8,074
TOTAL	70,693	98,233

27. PURCHASES OF STOCK IN TRADE

(₹ in Lakhs)

Particulars	2020-21	2019-20
Stock in Trade – Yarn	-	610
Stock in Trade – Fabric	894	3,343
Stock in Trade – Readymade Garment	-	7
Stock in Trade – Seamless Garment	-	3
TOTAL	894	3,963

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

28. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	2020-21	2019-20
Inventories at the end of the year		
Finished Goods	13,197	16,843
Work-in-Progress	7,256	6,349
	20,453	23,192
Inventories at the beginning of the year		
Finished Goods	16,843	15,468
Work-in-Progress	6,349	6,411
	23,192	21,879
(INCREASE) / DECREASE IN INVENTORY	2,739	(1,313)

29. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	2020-21	2019-20
Salaries and Wages	13,765	17,669
Contribution to Provident and Other Funds	929	1,242
Staff Welfare Expenses	122	89
TOTAL	14,816	19,000

30. FINANCE COSTS

(₹ in Lakhs)

Particulars	2020-21	2019-20
Interest Expenses	4,492	6,149
Other Borrowing Costs	351	423
Loss on foreign currency transactions and translation (Considered as finance cost)	80	293
TOTAL	4,923	6,865
30.1 Net of Interest Capitalised (Refer Note No. 3)	-	55
30.2 Net of Interest Subsidy (TUF/RIPS)	750	784

31. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	2020-21	2019-20
Depreciation on Tangible Assets	8,006	8,081
Amortisation of Intangible Assets	46	19
TOTAL	8,052	8,100



NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

32. OTHER EXPENSES

(₹ in Lakhs)

Particulars	2020-21	2019-20
A. Manufacturing Expenses		
Stores & Spares Consumed	3,147	3,586
Packing Material Consumed	1,693	2,038
Processing and Job Charges	2,020	2,571
Repairs To : Plant & Machinery	353	525
Repairs To : Building	73	154
Repairs To : Others	38	48
Misc. Manufacturing Expenses	1,600	2,150
Sub Total (A)	8,924	11,072
B. Administrative Expenses		
Rent (including short term lease rent)	227	208
Rates & Taxes	77	302
Payments to Auditors : Statutory Audit Fees	14	14
Reimbursement of Expenses	-	2
Cost Audit Fees	1	1
Insurance Premium	459	389
Directors' Travelling	1	43
Travelling & Conveyance	81	257
Telephone & Postage	147	94
Directors' Remuneration	381	493
Printing & Stationery	20	41
Legal & Professional Fees	197	219
Vehicle Running & Maintenance	414	476
Director's Sitting Fees	13	11
Charity and Donations	-	26
Advances Written Off	252	-
Miscellaneous Expenses	226	233
Contribution towards CSR (Refer Note No. 42)	97	265
Sub Total (B)	2,607	3,074
C. Selling & Distribution Expenses		
Sales Commission & Brokerage	1,910	2,228
Freight, Octroi and Other Selling Expenses	3,826	2,904
Bad Debts Written Off *	863	30
Sub Total (C)	6,599	5,162
D. Other Expenses		
Loss on Foreign Currency Fluctuation (Net)	-	91
Sub Total (D)	-	91
TOTAL (A+B+C+D)	18,130	19,399

*(Bad Debts Written Off ₹ NIL (Previous Year ₹ 16 Lakhs) out of Provision for Trade Receivables)

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

33. OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)

Particulars	2020-21	2019-20
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	398	(3)
Tax relating to remeasurement of defined benefit plans	(139)	1
Sub Total (A)	259	(2)
Items that will be reclassified to profit or loss		
Fair value changes on derivatives designated as cash flow hedges	362	(323)
Tax on items that will be reclassified subsequently to Profit & Loss	(127)	113
Sub Total (B)	235	(210)
TOTAL (A+B)	494	(212)

34. EARNINGS PER SHARE (EPS)

(₹ in Lakhs)

Particulars	2020-21	2019-20
i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders ₹ in Lakhs	538	1,330
ii) Weighted Average number of equity shares used as denominator for calculating EPS	4,04,29,778	3,94,21,559
iii) Basic and Diluted Earning per share (₹)	1.33	3.37
iv) Face Value per equity share (₹)	10	10

35. The Company had undertaken a Toll user collection contract with National High Way Authority of India (NHAI) for Ushaka Toll Plaza on N.H. No. 25. Due to Dispute with NHAI the contract was terminated and the matter was referred to arbitration. The Arbitrator had given the award in favour of the company during F.Y. 2015-16 which was disputed by NHAI and filed an appeal against the same with the single bench of Delhi High Court, which referred the matter back for arbitration. The Company has objected to the above decision before the division bench of Delhi High Court and filed an appeal to stay the order. The Delhi High Court has admitted the appeal and stayed the said order.

Based on the legal provisions and the facts, the management is of the opinion that the company would be successful in its claim for recovery of the dispute amount. The other current financial asset includes the above claim amounting to ₹ 1367/-Lakhs.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

36. DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	651	793
- Principal amount due to micro and small enterprises*	-	-
- Interest due on above	-	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	-	-

The figures have been disclosed on the basis of informations received from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and/or based on the information available with the company. Further, no interest during the year has been paid or payable under the provisions of the MSMED Act, 2006.

* Include total outstanding dues of micro enterprises and small enterprises of ₹ 630 Lakhs (Previous Year ₹ 757 Lakhs) included in Trade Payables.

* Include total outstanding dues of micro enterprises and small enterprises of ₹ 21 Lakhs (Previous Year ₹ 36 Lakhs) in other liabilities under the other current financial liabilities.

37. DISCLOSURE OF RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24 "RELATED PARTY DISCLOSURES".

(A) Details of Related Parties

1 Wholly Owned Subsidiary Company

Sangam Lifestyle Ventures Limited

2 Key Managerial Personnel (KMP)

Shri R.P. Soni
Shri S.N. Modani
Shri V.K. Sodani
Shri Anurag Soni

Chairman
Managing Director & Chief Executive Officer
Executive Director
Chief Financial Officer & Whole - time Director (Appointed as Chief Financial Officer w.e.f. 24th June, 2020 Appointed as Whole - time Director w.e.f. 21st January, 2021)
Company Secretary
CFO (Retired w.e.f. 31st March, 2020)

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

3 Non Executive Director/ Independent Director

Shri Achintya Karati
Shri T.K. Mukhopadhyay
Smt. Jyoti Sharma (Appointed w.e.f. 24th June, 2020)
Shri Yaduvendra Mathur (Appointed w.e.f. 21st January, 2021)
Shri Ramawatar Jaju (Resigned w.e.f. 24th December, 2019)
Ms. Seema Srivastava (Resigned w.e.f. 2nd March, 2020)

4 Relatives of Key Managerial Personnel (KMP)

Smt. Radha Devi Soni
Smt. Mamta Modani
Smt. Archana Sodani
Smt. Anjana Thakur
Smt. Antima Bass
Shri Pranal Modani
Smt. Palak Modani
Smt. Krippie Soni
Ms. Mihika Sodani

5 Other Related Parties

SMW Ispat Private Limited (Director common)
(Formerly known as "Mahalaxmi TMT Private Limited")
Sangam E-com Limited (Director Common)
Raj Rajeshwar Enterprises Private Limited (Relative of Director is member)
Laddha Construction Company Private Limited (Relative of Director is member)
R.P. Soni HUF (Director is karta)
M/s Badri Lal Soni Charitable Trust (Director is trustee)
M/s Kesar Bai Soni Charitable Trust (Director is trustee)
Sangam Business Credit Limited (Person Acting in Concert)
Nikita Credits Private Limited (Person Acting in Concert)
Fashion Funda.Com Private Limited (Person Acting in Concert)

(B) Disclosure of related party transactions:

(₹ in Lakhs)

S. No.	Nature of transaction/relationship/major parties	Relationship	2020-21	2019-20
			Amount	Amount
1	Purchase of goods & services (including commission paid)			
	(a) Purchase of Service			
	Smt. Anjana Thakur	Relatives of Key Managerial Personnel (KMP)	-	2
	(b) Purchase of Land			
	Laddha Construction Company Private Limited	Other Related Parties	1,199	-
2	Sale of goods/contract revenue & services			
	(a) Sale of Goods			
	Sangam Lifestyle Ventures Limited	Wholly Owned Subsidiary Company	504	744
	(b) Sale of Services			
	SMW Ispat Private Limited	Other Related Parties	52	121
3	Rent paid			

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(₹ in Lakhs)

S. No.	Nature of transaction/relationship/major parties	Relationship	2020-21	2019-20
			Amount	Amount
3	Rent paid			
	Smt. Radha Devi Soni	Relatives of Key Managerial Personnel (KMP)	90	90
	Smt. Mamta Modani	Relatives of Key Managerial Personnel (KMP)	5	5
	Sh. Anurag Soni	Key Managerial Personnel (KMP)	13	12
	Smt. Antima Bass	Relatives of Key Managerial Personnel (KMP)	18	18
	Smt. Krippie Soni	Relatives of Key Managerial Personnel (KMP)	6	-
	R.P. Soni HUF	Other Related Parties	12	12
	Laddha Construction Company Private Limited	Other Related Parties	23	18
4	Rent received			
	Sangam Lifestyle Ventures Limited	Wholly Owned Subsidiary Company	1	1
5	Insurance paid for			
	(a) Key Managerial Personnel			
	Shri S.N. Modani		12	2
	Shri Anurag Soni		10	10
6	Compensation paid to key management personnel:			
	Remuneration			
	(1) Short-term employment benefits / Salary			
	(i) Key Managerial Personnel			
	Shri R.P. Soni		193	236
	Shri S.N. Modani		106	139
	Shri V.K. Sodani		57	62
	Shri Anurag Soni		47	60
	Shri Anil Jain		-	39
	Shri A.K. Jain		6	6
	(ii) Relatives of Key Managerial Personnel			
	Smt. Antima Bass		-	1
	Shri Pranal Modani		29	38
	Smt. Palak Modani		7	9
	Ms. Mihika Sodani		48	1
	Smt. Mamta Modani		12	-
	Smt. Archana Sodani		6	-
	(2) Director Sitting fees			
	Shri Ramawatar Jaju		-	1
	Shri Achintya Karati		6	5
	Shri T.K. Mukhopadhyay		6	4
	Ms. Seema Srivastava		-	1
	Smt. Jyoti Sharma		2	-

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(₹ in Lakhs)

S. No.	Nature of transaction/relationship/major parties	Relationship	2020-21	2019-20
			Amount	Amount
(3) Commission				
	Shri R.P. Soni		6	25
	Shri S.N. Modani		6	25
	Shri V.K. Sodani		2	6
7	Expenditure Incurred in CSR			
	(i) M/S Badri Lal Soni Charitable Trust	Other Related Parties	7	160
	(ii) M/S Kesar Bai Soni Charitable Trust	Other Related Parties	56	86

(C) Amount due to/from related parties:

(₹ in Lakhs)

S. No.	Nature of transaction/relationship/major parties	Relationship	2020-21	2019-20
			Amount	Amount
1	Trade & other Receivables			
	Sangam Lifestyle Ventures Limited	Wholly Owned Subsidiary Company	1,646	1,802
	SMW Ispat Private Limited	Other Related Parties	-	48
	Laddha Construction Company Private Limited	Other Related Parties	-	516
2	Other Payables			
	Shri Anurag Soni	Key Managerial Personnel (KMP)	-	2
	Smt. Antima Bass	Relatives of Key Managerial Personnel (KMP)	-	11
	Smt. Radha Devi Soni	Relatives of Key Managerial Personnel (KMP)	-	13

38. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lakhs)

Particulars		2020-21	2019-20
(I) Contingent Liabilities:			
(a) Guarantees:			
	Outstanding Bank Guarantees (Excluding Financial Guarantees)	365	348
(b) Other Money for which the Company is contingently liable:			
1	Stamp Duty dispute pending with Rajasthan High Court, Jodhpur under Rajasthan Stamp Duty Act, 1998.	109	109
2	Various cases pending with Central Excise under Central Excise Act, 1944 & Service Tax cases under Finance Act, 1994 (Net of amount fully provided).	452	452
3	Dispute of Fixed Charges recovery pending with APTEL, New Delhi under Electricity Act, 2003.	66	66
4	Entry Tax dispute for the year 2014-15 & 2015-16 under The Rajasthan Tax on Entry of Goods into Local Area Act, 1999 regarding to interest /penalty.	47	3

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(₹ in Lakhs)		
Particulars	2020-21	2019-20
5 Disputed VAT Liabilities under The Rajasthan Value Added Tax Act, 2003 in respect of :		
5.1 Input Tax Credit	257	94
5.2 VAT with RIPS incentive on exports.	-	363
5.3 Incentive Benefit	-	14
6 Disputes on various tolls for which company is contingently liable.	243	243
(II) Commitments:		
(a) Estimated amount of contracts (Net of advances) remaining to be executed on capital and not provided for.	2,471	1,605
(b) In respect of Capital goods imported at the concessional rate of duty under the Export Promotion Capital goods scheme, the company has approximate exports obligations which is required to be met at the different due dates before 31st March, 2027. In the event of non-fulfillment of these export obligation, the company will be liable to pay customs duties and penalties, as applicable.	351	2,318

39. SEGMENT INFORMATION

Operating Segment

Based on the management approach as defined in IND AS 108 – Operating Segments, the Chief Operating Decision Maker (“CODM”) evaluates the company's performance and allocates resources based on an analysis of various indicators of business segment/s in which the company operates. The Company is primarily engaged in the business of textile manufacturing which the management and CODM recognise as the sole business segment. Hence disclosure of segment-wise information is not required and accordingly not provided.

The other applicable information applicable where there is only one segment as required in accordance with IND AS 108 – Operating Segments, are as under:

- (a) The company does not have the information in respect of the revenues from external customers for each product and service, or each group of similar products and services, and the cost to develop such system will be highly excessive. Accordingly such information is not disclosed as allowed by para 32 of IND AS 108.

(b) Revenues

(₹ in Lakhs)		
Particulars	2020-21	2019-20
Domestic	93,065	1,31,317
Export	42,290	46,980
TOTAL	1,35,355	1,78,297

Revenues from external customers attributed to an individual foreign country are not material. The revenue from the foreign countries are attributed from the countries wherein the actual exports are made.

There are no assets in foreign countries held by the Company except the amounts due from the exports.

- (c) The company does not have any major single customers / group of external customer having 10% of its revenue.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

40. EMPLOYEE BENEFITS

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

(₹ in Lakhs)

Particulars	For the year ended	
	31 st March, 2021	31 st March, 2020
Contribution to government Provident Fund	674	861

(ii) Defined Benefit Plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liability is being contributed to the gratuity fund formed by the company. Company makes contributions to Group Gratuity Schemes administrated by the LIC of India.

Other long term employee benefit plans

Compensated absences

Every employee is entitled to paid leave as per the company's policies. The employees are allowed to avail leave and carry forward a specified number of days, the same is encashable during the service period and at the time of separation from the company or retirement, whichever is earlier.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31st March, 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

- A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Leave encashment	
	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020
Net defined benefit (liability) / asset	1,559.71	1,511.29	114.58	223.39
Non-current	-	-	-	-
Current	1,559.71	1,511.29	114.58	223.39

NOTES ON STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	Gratuity (Funded)				Leave Encashment (Funded)							
	31 st March, 2021			31 st March, 2020		31 st March, 2021			31 st March, 2020			
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April	2,194.58	683.29	1,511.29	1,801.94	708.66	1,093.28	524.42	301.03	223.39	524.56	280.55	244.01
Included in profit or loss												
- Current service cost	481.50	-	481.50	411.85	-	411.85	211.23	-	211.23	291.13	-	291.13
- Interest cost (income)	137.99	-	137.99	131.83	-	131.83	33.46	-	33.46	35.77	-	35.77
	619.49	-	619.49	543.68	-	543.68	244.69	-	244.69	326.90	-	326.90
Included in OCI												
- Remeasurements loss (gain)	-	-	-	-	-	-	-	-	-	-	-	-
- Actuarial loss (gain) arising from:	-	-	-	-	-	-	-	-	-	-	-	-
- demographic assumptions	-	-	-	-	-	-	-	-	-	-	-	-
- financial assumptions	2.27	-	2.27	188.36	-	188.36	0.45	-	0.45	41.29	-	41.29
- experience adjustment	(406.08)	-	(406.08)	(186.72)	-	(186.72)	(269.54)	-	(269.54)	(255.60)	-	(255.60)
- on plan assets	-	(5.46)	5.46	-	(1.64)	1.64	-	(0.64)	0.64	-	(1.93)	1.93
	(403.81)	(5.46)	(398.35)	1.64	(1.64)	3.28	(269.09)	(0.64)	(268.45)	(214.31)	(1.93)	(212.38)
Other												
- Contributions paid by the employer	-	132.98	(132.98)	-	77.67	(77.67)	-	64.58	(64.58)	-	113.67	(113.67)
- Benefits paid	(330.60)	(330.60)	-	(152.68)	(152.68)	-	(64.58)	(64.58)	-	(112.73)	(112.73)	-
- Expected Return on Plan Assets	-	39.74	(39.74)	-	51.28	(51.28)	-	20.47	(20.47)	-	21.47	(21.47)
	(330.60)	(157.88)	(172.72)	(152.68)	(23.73)	(128.95)	(64.58)	20.47	(85.05)	(112.73)	22.41	(135.14)
Balance as at 31st March	2,079.66	519.95	1,559.71	2,194.58	683.29	1,511.29	435.44	320.86	114.58	524.42	301.03	223.39

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

C. Plan assets

Particulars	31 st March, 2021	31 st March, 2020
Fund managed by insurer	100%	100%
	100%	100%

D. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	31 st March, 2021	31 st March, 2020
Discount rate	6.79%	6.80%
Expected rate of future salary increase	5.50%	5.50%
Mortality	100% of IALM (2006 - 08) Ult.	

Assumptions regarding future mortality have been based on published statistics and mortality tables.

E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in Lakhs)

Particulars	Gratuity				Leave Encashment			
	31 st March, 2021		31 st March, 2020		31 st March, 2021		31 st March, 2020	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	1,872.79	2,330.01	1,973.55	2,462.12	394.66	485.09	475.97	583.09
Expected rate of future salary increase (1% movement)	2,328.26	1,870.80	2,460.27	1,971.40	484.71	394.31	582.65	475.53

Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

F. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

- A) **Salary Increases-** Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B) **Investment Risk –** If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C) **Discount Rate:** Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) **Mortality & disability –** Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) **Withdrawals –** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

G. Expected maturity analysis of the undiscounted gratuity benefits is as follows

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Duration of defined benefit payments		
Less than 1 year	123.47	162.05
Between 1-2 years	261.80	63.76
Between 2-5 years	285.21	483.47
Over 5 years	723.87	765.47
Total	1,394.35	1,474.75

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 18.49 years (31st March, 2020 : 18.67 years)

41. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

I. Fair value measurements Hierarchy

(₹ in Lakhs)

Particulars	As at 31 st March, 2021				As at 31 st March, 2020			
	Carrying Amount	Level 1	Level 2	Level 3	Carrying Amount	Level 1	Level 2	Level 3
Financial Assets								
At Amortised Cost								
Investments	9	-	-	-	590	-	-	-
Other Non-Current Financial Assets	989	-	-	-	949	-	-	-
Trade Receivables	29,396	-	-	-	30,435	-	-	-
Cash and Cash Equivalents	15	-	-	-	833	-	-	-
Bank Balances other than above	991	-	-	-	530	-	-	-
Other Current Financial Assets	5,519	-	-	-	4,952	-	-	-
Total	36,919	-	-	-	38,289	-	-	-
Financial Liabilities								
At Amortised Cost								
Borrowings	20,438	-	-	-	24,228	-	-	-
Short Term Borrowings	30,946	-	-	-	35,899	-	-	-
Trade Payables	11,572	-	-	-	11,459	-	-	-
Other Current Financial Liabilities	14,757	-	-	-	10,965	-	-	-
At Fair Value through P&L								
Other Current Financial Liabilities	112	-	112	-	344	-	344	-
At Fair Value through OCI								
Other Current Financial Liabilities	39	-	39	-	323	-	323	-
Total	77,864	-	151	-	83,218	-	667	-

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of property defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank references.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The gross carrying amount of trade receivables is ₹ 29679 Lakhs (31st March, 2020 – ₹ 30716 Lakhs).

A default on a financial asset is when counterparty fails to make payments within 60 days when they fall due.

Reconciliation of Loss Allowance Provision – Trade Receivables

Particulars	31 st March, 2021	31 st March, 2020
Opening Balances	281	267
Impairment Loss Recognised	863	30
Amount written back	861	16
Closing balance	283	281

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the cash flows generated from operations to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position comprising the undrawn borrowing facilities and cash and cash equivalents on the basis of expected cash flows. This is generally carried out in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(a) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Particulars	Carrying Amounts		Contractual cash flows		
	31 st March, 2021	Total	Within 1 Year	1–5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings	20,438	20,438	-	19,690	748
Short term borrowings	30,946	30,946	30,946	-	-
Trade payables	11,572	11,572	11,572	-	-
Other current financial liabilities	14,908	14,908	14,908	-	-
Total non-derivative liabilities	77,864	77,864	57,426	19,690	748
Derivatives (net settled)					
Foreign exchange forward contracts	151	151	151	-	-
Total derivative liabilities	151	151	151	-	-

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Particulars	Carrying Amounts		Contractual cash flows		
	31 st March, 2020	Total	Within 1 Year	1–5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings	24,228	24,228	-	22,363	1,865
Short term borrowings	35,899	35,899	35,899	-	-
Trade payables	11,459	11,459	11,459	-	-
Other current financial liabilities	11,632	11,632	11,632	-	-
Total non-derivative liabilities	83,218	83,218	58,990	22,363	1,865
Derivatives (net settled)					
Foreign exchange forward contracts	667	667	667	-	-
Total derivative liabilities	667	667	667	-	-

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EURO. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency. The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows (Amounts in Lakhs)

(₹ in Lakhs)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	USD	EUR	USD	EUR
Financial Instruments				
Trade receivables	111	(2)	87	(2)
Trade payables	-	(4)	(7)	-
Borrowings	(88)	(7)	(90)	-
Derivatives - Forward Contracts	(270)	-	(96)	-
Net statement of financial position exposure	(247)	(13)	(106)	(2)

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the ₹ against all currencies at 31st March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit or loss	
	Strengthening	Weakening
31st March, 2021		
USD (1% movement)	(180)	180
EUR (1% movement)	(12)	12
31st March, 2020		
USD (1% movement)	(80)	80
EUR (1% movement)	(1)	1

Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	Nominal Amount	
	31 st March, 2021	31 st March, 2020
Fixed-rate instruments		
Financial assets	600	-
Financial liabilities	657	2,668
	1,257	2,668
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	27,348	26,210
	27,348	26,210

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss	
	100 bp increase	100 bp decrease
31st March, 2021		
Variable-rate instruments	(273)	273
Cash flow sensitivity	(273)	273
31st March, 2020		
Variable-rate instruments	(262)	262
Cash flow sensitivity	(262)	262

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Hedge Accounting

The company's business objective includes safe-guarding its earnings against foreign exchange fluctuations. The Company has adopted a structured risk management policy to hedge all these risks within an acceptable risk limit and an approved hedge accounting framework which allows for Fair Value hedges and Cash Flow hedges. Hedging instruments include forwards contracts to achieve this objective. The table below shows the position of hedging instruments and hedged items as on the balance sheet date.

Disclosure of effect of Hedge Accounting:

(i) Fair Value Hedge

Hedging Instruments

(₹ in Lakhs)

Particulars	Nominal Value	Carrying Amount	Change in Fair Value	Hedge Maturity	Line Item in Balance Sheet
Foreign Currency Risk					
Forward Contracts	8,595	112	112	April, 2021 to February, 2022	Other Current Financial Liabilities

Hedged Items

(₹ in Lakhs)

Particulars	Carrying Amount	Change in Fair Value	Line Item in Balance Sheet
Foreign Currency Risk			
Trade Receivables	8,123	138	Financial Assets - Trade Receivables

(ii) Cash Flow Hedge

During the year ended 31st March, 2021, the Company has designated certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedge reserve as at 31st March, 2021 are expected to occur and reclassified to Statement of Profit and Loss within three months.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of its forecasted cash flows. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in the Statement of Profit and Loss at the time of the hedge relationship rebalancing.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Cash Flow Hedge

Hedging Instruments

(₹ in Lakhs)

Particulars	Nominal Value	Carrying Amount	Change in Fair Value	Hedge Maturity	Line Item in Balance Sheet
Foreign Currency Risk					
Forward Contracts	11,131	39	39	April, 2021 to February, 2022	Other Current Financial Liabilities

Hedged Items

(₹ in Lakhs)

Particulars	Carrying Amount	Change in Fair Value	Line Item in Balance Sheet
Foreign Currency Risk			
Highly Probable Forecasted Exports	11,131	-	-

The reconciliation of cash flow hedge reserve for the years ended 31st March, 2021 and 31st March, 2020 is as follows:

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Gain / (Loss)		
Balance at the beginning of the year	(323)	-
Gain / (Loss) recognized in other comprehensive income during the year	362	(323)
Amount reclassified to profit and loss during the year	-	-
Balance at the end of the year	39	(323)

42. CORPORATE SOCIAL RESPONSIBILITIES (CSR)

(₹ in Lakhs)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
a) The Gross amount required to be spent by the company during the year	40	64
b) The Details of the amount spent during the year on CSR activities as follow.		

(₹ in Lakhs)

Particulars	31 st March, 2021	31 st March, 2020
Expenditure incurred in Cash		
Construction / acquisition of any asset	-	-
On purpose other than (i) above	97	265
TOTAL	97	265

- c) Out of above ₹ 7 Lakhs (Previous Year ₹ 160 Lakhs) has been spent through M/s Badri Lal Soni Charitable Trust and ₹ 56 Lakhs (Previous year ₹ 86 Lakhs) has been spent through M/s Kesar Bai Soni Charitable Trust, which are related parties.

Breakup of the expenditure incurred through the trust during the year is as under..

(₹ in Lakhs)

Particulars	31 st March, 2021	31 st March, 2020
Expenditure incurred in Cash		
Environmental Sustainability	7	50
Promoting Education	-	107
Promoting Health Care	45	75
Eradication Hunger, Poverty and Malnutrition	11	14
Promoting Sports	-	-
TOTAL	63	246

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

43. The Covid 19 pandemic had its impact on the global economic environment including in India, causing significant disruption in economic activities and the textile industry where the Company is operating had been adversely impacted in the first half of FY 2020-21 due to the pandemic. With the gradual relaxation in the second half, economic activities had improved. However, the second wave of Covid 19 emerging in India in the Month of April-May 2021 may have an impact on the industry and Company. The Company is of the view that the vaccination programme of Governments, will minimise the impact on the economic activities.

The Company closely monitors the recent developments and effect of present pandemic over the business. The company believes that this pandemic is not likely to have material impact on the carrying value of its assets and hence no provision for any Impairment is required. As the situation unfolds in the future, the eventual impact may be different from the estimates made as on the date of approval of these Financial Statements.

44. The Board of Directors of the Sangam India Limited (SIL) and Sangam lifestyle Ventures Limited (SLVL) has approved the Scheme of Amalgamation of SLVL with SIL on dated 14th September, 2020 and 12th September, 2020 respectively, appointed date being 1st April, 2020. As per order dated 1st April, 2021, the Hon'ble National Company Law Tribunal ("NCLT"), Jaipur Bench, the NCLT convened Meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors of Sangam (India) Limited are scheduled to be held on Saturday, the 22nd May, 2021 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") for approve the scheme of Merger. Accounting effect of the merger will be given once Scheme is approved by the NCLT.

45. STANDARD ISSUED BUT NOT EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2021.

46. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

47. APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved for issue by the Board of Directors on 5th May, 2021

The Board of Directors have recommended a dividend @10 % on equity share, subject to approval from the shareholders at the ensuing AGM.

As per our Report of even date

For and on the Behalf of the Board

FOR RAJENDRA & CO.

Chartered Accountants
(Firm Registration No. 108355W)

(AKSHAY R. SHAH)

Partner
Membership No.103316

Place: Mumbai

Date: 5th May, 2021

FOR O. P. DAD & CO.

Chartered Accountants
(Firm Registration No. 002330C)

(O. P. DAD)

Partner
Membership No. 035373

Place : Bhilwara

Date: 5th May, 2021

(R.P. SONI)

Chairman
(DIN 00401439)

(S. N. MODANI)

Managing Director & CEO
(DIN 00401498)

(ANURAG SONI)

Chief Financial Officer &
Whole-time Director
(DIN 03407094)

(V. K. SODANI)

Executive Director
(DIN 00403740)

(A. K. JAIN)

Company Secretary
(M No: F-7842)

INDEPENDENT AUDITOR'S REPORT

To the Members of **Sangam (India) Limited**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Consolidated Financial Statements of Sangam (India) Limited ("hereinafter referred to as "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2021, Consolidated Statement of Profit and Loss (Including Other Comprehensive Income), Consolidated Statement of changes in equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of one of Joint auditors on separate financial statements, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group and as at 31st March 2021, and its Consolidated Profit including Other Comprehensive Income, Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of Consolidated financial statement in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together

with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on Consolidated Financial statements.

Emphasis of Matter

We draw attention to the Note 49 of the financial statements relating to Subsidiary Company financial statements being prepared on a going concern basis, notwithstanding complete erosion of its net worth. The subsidiary being WOS of the Company, its accumulated losses are accounted for in the Consolidated Financial statements of the Group and any other adverse impact in future will not have material impact on the consolidated financial statements.

Our Report is not modified for these matters.

Key Audit Matter

Key audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statement for the financial year ended 31st March 2021. These matters were addressed in the context of our audit of the consolidated financial statement as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

INDEPENDENT AUDITOR'S REPORT (Contd.)

The key audit matters	How our audit addressed the key audit matter
<p>1. Uncertainty about Covid 19 pandemic impact on financial position of the Group</p> <p>The Group has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. It has also assessed the probability of occurrence of forecasted transactions under the hedging relationships and continues to evaluate them as highly probable considering the orders in hand.</p> <p>The Group closely monitors the recent developments and effect of present pandemic over the business. The Group believes that this pandemic is not likely to have material impact on the carrying value of its assets and hence no provision for any Impairment is required. As the situation unfolds in the future, the eventual impact may be different from the estimates made as on the date of approval of these Financial Statements.</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> We understood and tested the design and operating effectiveness of controls as established by the management in determination of recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventory and trade receivables. We have considered the basis of management judgement in determining impact on the financial statements of any subsequent events related to Covid-19 pandemic, taking into consideration the date of the financial statements, the facts and circumstances pertaining to the entity, and the conditions that existed at, or arose after, that date. As the impacts of the Covid-19 outbreak continue to evolve, including regulatory restrictions/conditions, capturing events that relates specifically to conditions that existed at the date of the financial statements, or after the date of the financial statements, we have considered all subsequent events and transactions to substantiate our conclusions on the appropriateness of management's assessment of Covid-19 impact. We have carried out a detailed analysis of data and performed additional analytical procedures for validating the management's assessment of the impact due to Covid-19 related uncertainties.

Other Matter

The Consolidated Financial Statements includes subsidiary company which reflects total assets of Rs. 1152 Lakhs as at 31st March 2021, total revenues of Rs. 1046 Lakhs, total net loss after tax of Rs. 72 Lakhs and net cash Inflow of Rs. 2 Lakhs for year then ended, which have been audited by one of the joint auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the one of the joint auditors.

Information other than the financial statements and Auditor's report thereon

The Holding Company's Management and Board of Directors are responsible for the preparation of other information. The other information obtained on the date of Auditor's Report is Director Report, Corporate Governance report and Management Discussion and analysis report but does not include the consolidated financial statements and our

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated

INDEPENDENT AUDITOR'S REPORT (Contd.)

financial performance including Other Comprehensive Income, Consolidated changes in equity and Consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of directors of the companies included in the Group are responsible for 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 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective management and Board of Directors of the Company included in the Group are responsible for assessing the ability of each of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of each of the Company included in the Group are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures

responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013 as amended, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the these assumptions. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions read with Emphasis of matters are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT (Contd.)

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

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

Report on Other Legal and Regulatory Requirements

1. 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 so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated the Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and its subsidiary Company, none of the directors are disqualified as on 31st March, 2021 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 with reference to financial statements of

the Holding Company and Subsidiary Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**.

- (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 as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial statements disclose the impact of pending litigations on its Consolidated Financial Position of the Group - Refer Note No. 39 to the consolidated financial statements.
 - ii. The Provision has made provision in the Consolidated Financial Statement, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiary during the year ended 31st March, 2021.

2. With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, we report that the Holding Company and its Subsidiary has paid remuneration to its directors during the year in accordance with the provisions of the limits laid down under Section 197 read with Schedule V of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Rajendra & Co.

Chartered Accountants

Firm Registration No. 108355W

Akshay R. Shah

Partner

Membership No. 103316

Place : Mumbai

UDIN: 21103316AAAAFZ8217

Date: 05th May, 2021

For O. P. Dad & Co.

Chartered Accountants

Firm Registration No. 002330C

O. P. Dad

Partner

Membership No. 035373

Place : Bhilwara

UDIN: 21035373AAAAACE6105

Date: 05th May, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SANGAM (INDIA) LIMITED

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls with reference to consolidated financial statements of Sangam (India) Limited ("herein after referred to as "Holding Company") and its subsidiary Company as of 31st March 2021 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

In our opinion, the Holding Company and its Subsidiary has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31st March 2021, based on the internal financial controls with reference to Consolidated financial statements 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 (the "Guidance Note").

Management Responsibility for the Internal Financial Controls

The Respective Board of directors of Holding Company and its Subsidiary Company are responsible for establishing and maintaining internal financial controls with reference to Financial Statements based on the internal control over financial reporting criteria established by the Respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on auditing prescribed under Section 143(10) of the Act, 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by one of the joint auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and Subsidiary Company internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to consolidated financial statements 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

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SANGAM (INDIA) LIMITED

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to Consolidated financial statements, 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 with reference to consolidated financial statements to future periods are

subject to the risk that the internal financial control over consolidated financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our report under Section 143(3)(i) of the Act on adequacy and operating effectiveness of the internal controls of Holding Company, in so far as it relates to separate financial statements of Subsidiary Company, which is company incorporated in India, is based on the corresponding reports of the auditor of such Subsidiary Company incorporated in India.

For Rajendra & Co.

Chartered Accountants

Firm Registration No. 108355W

For O. P. Dad & Co.

Chartered Accountants

Firm Registration No. 002330C

Akshay R. Shah

Partner

Membership No. 103316

Place : Mumbai

UDIN: 21103316AAAAFZ8217

Date: 05th May, 2021

O. P. Dad

Partner

Membership No. 035373

Place : Bhilwara

UDIN: 21035373AAAACE6105

Date: 05th May, 2021

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	Notes	As at 31 st March, 2021	As at 31 st March, 2020
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	4	58,570	61,541
Capital Work-in-Progress		881	602
Intangible Assets	5	461	81
Intangible Assets under Development		-	356
Financial Assets			
(i) Investments	6	4	585
(ii) Other Financial Assets	7	989	950
Other Non Current Assets	8	591	639
TOTAL NON-CURRENT ASSETS		61,496	64,754
Current Assets			
Inventories	9	37,635	37,278
Financial Assets			
(i) Trade Receivables	10	28,001	29,155
(ii) Cash and Cash equivalents	11	19	835
(iii) Bank balances other than (ii) above	12	991	530
(iv) Other Current Financial Assets	13	5,521	4,952
Current Tax Assets (Net)	14	565	445
Other Current Assets	15	6,635	6,102
TOTAL CURRENT ASSETS		79,367	79,297
TOTAL ASSETS		1,40,863	1,44,051
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	4,342	3,942
Other Equity	17	50,892	48,770
TOTAL EQUITY		55,234	52,712
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	18	20,437	24,228
Deferred Tax Liabilities (Net)	19	4,895	4,911
TOTAL NON-CURRENT LIABILITIES		25,332	29,139
Current Liabilities			
Financial Liabilities			
(i) Borrowings	20	30,946	35,899
(ii) Trade Payables	21		
a) Total outstanding dues of Micro enterprises and Small enterprises		630	763
b) Total outstanding dues of Creditors other than Micro enterprises and Small enterprises		10,977	10,703
(iii) Other Financial Liabilities	22	15,013	11,746
Other Current Liabilities	23	1,035	1,337
Provisions	24	1,696	1,752
TOTAL CURRENT LIABILITIES		60,297	62,200
TOTAL EQUITY AND LIABILITIES		1,40,863	1,44,051

Significant Accounting Policies and Notes on Financial Statements

1 to 50

As per our Report of even date

For and on the Behalf of the Board

FOR RAJENDRA & CO.

Chartered Accountants

(Firm Registration No. 108355W)

FOR O. P. DAD & CO.

Chartered Accountants

(Firm Registration No. 002330C)

(AKSHAY R. SHAH)

Partner

Membership No.103316

Place: Mumbai

Date: 5th May, 2021

(O. P. DAD)

Partner

Membership No. 035373

Place : Bhilwara

Date: 5th May, 2021

(R.P. SONI)

Chairman

(DIN 00401439)

(S. N. MODANI)

Managing Director & CEO

(DIN 00401498)

(ANURAG SONI)

Chief Financial Officer &

Whole-time Director

(DIN 03407094)

(V. K. SODANI)

Executive Director

(DIN 00403740)

(A. K. JAIN)

Company Secretary

(M No: F-7842)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	Notes	2020-21	2019-20
INCOME			
Revenue from Operations	25	1,35,897	1,79,011
Other Income	26	981	847
Total Income		1,36,878	1,79,858
EXPENSES :			
Cost of Materials Consumed	27	70,693	98,233
Purchases of Traded Goods	28	1,040	4,014
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	29	2,781	(1,165)
Employee Benefits Expense	30	14,961	19,241
Finance Costs	31	4,939	6,881
Depreciation and Amortisation Expense	32	8,058	8,105
Power & Fuel		15,747	22,881
Other Expenses	33	18,461	19,654
Total Expenses		1,36,680	1,77,844
Profit Before Exceptional Item and Tax		198	2,014
Exceptional Items		-	-
Profit Before Tax		198	2,014
Tax Expenses			
Current Tax		724	1,232
Deferred Tax		(300)	(431)
Tax Expense for Earlier Years		(647)	(115)
Profit for the year		421	1,328
Other comprehensive income	34		
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		400	(1)
Tax relating to remeasurement of defined benefit plans		(139)	1
		261	-
Items that will be reclassified to profit or loss			
Fair value changes on derivatives designated as cash flow hedges		361	(323)
Tax on items that will be reclassified subsequently to Profit & Loss		(127)	113
		234	(210)
Total Other Comprehensive Income for the year		495	(210)
Total Comprehensive Income for the year		916	1,118
Earnings per equity share of face value of ₹ 10 each	35		
Basic and Diluted (in ₹)		1.04	3.37

Significant Accounting Policies and Notes on Financial Statements

1 to 50

As per our Report of even date

For and on the Behalf of the Board

FOR RAJENDRA & CO.
Chartered Accountants
(Firm Registration No. 108355W)

FOR O. P. DAD & CO.
Chartered Accountants
(Firm Registration No. 002330C)

(AKSHAY R. SHAH)
Partner
Membership No.103316

(O. P. DAD)
Partner
Membership No. 035373

(R.P. SONI)
Chairman
(DIN 00401439)

(S. N. MODANI)
Managing Director & CEO
(DIN 00401498)

(V. K. SODANI)
Executive Director
(DIN 00403740)

Place: Mumbai
Date: 5th May, 2021

Place : Bhilwara
Date: 5th May, 2021

(ANURAG SONI)
Chief Financial Officer &
Whole-time Director
(DIN 03407094)

(A. K. JAIN)
Company Secretary
(M No: F-7842)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	2020-21	2019-20
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	198	2,014
Adjustments for :-		
Depreciation and Amortisation Expense	8,058	8,105
Finance Costs	4,939	6,881
Bad Debts / Allowance for Doubtful Debts	863	30
Advances Written Off	252	-
Interest Income	(442)	(773)
Foreign Exchange Fluctuation Gain/ (Loss) (Net)	(313)	66
Profit on Sale of Property, Plant & Equipments (Net)	(140)	(32)
Operating Profit before working capital changes	13,415	16,291
Movements in Working Capital :-		
(Increase) / Decrease in Inventories	(357)	(1,197)
(Increase) / Decrease in Trade Receivables	584	5,759
(Increase) / Decrease in Other Financial Assets	(503)	(156)
(Increase) / Decrease in Other Assets	(775)	2,384
Increase / (Decrease) in Trade Payables	161	(5,016)
Increase / (Decrease) in Other Financial Liabilities	507	(63)
Increase / (Decrease) in Provisions	706	78
Increase / (Decrease) in Other Liabilities	(302)	129
Cash Generated from Operations	13,436	18,209
Taxes Paid / (Refund) (Net)	181	(130)
Net Cash Inflow / (Out Flow) from Operating Activities	13,255	18,339
B Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment	(6,104)	(4,821)
Sale of Property, Plant & Equipment	854	190
Interest Income	376	764
Sale of Investment	581	-
Net Cash Inflow / (Outflow) from Investing Activities	(4,293)	(3,867)
C Cash Flow from Financing Activities		
Proceeds from issue of Equity Share Capital	2,000	-
Proceeds from Long Term Borrowings	4,588	766
Repayment of Long Term Borrowings	(5,461)	(7,110)
Increase / (Decrease) in Short- Term Borrowings	(4,953)	391
Finance Costs	(5,095)	(6,746)
Dividend Paid (Including Tax on Dividend)	(396)	(476)
Net Cash Inflow / (Out Flow) from Financing Activities	(9,317)	(13,175)
Net Increase/(Decrease) in Cash & Cash equivalents	(355)	1,297
Cash and Cash Equivalents at the Beginning	1,365	68
Cash and Cash Equivalents at the End	1,010	1,365

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Change in Liability arising from financing activities

(₹ in Lakhs)

Particulars	As at 31 st March 2020	Cash Flow	As at 31 st March 2021
Borrowing - Non Current (Refer Note No. 18)	28,878	(873)	28,005
Borrowing - Current (Refer Note No. 20)	35,899	(4,953)	30,946
Total	64,777	(5,826)	58,951

Particulars	As at 31 st March 2019	Cash Flow	As at 31 st March 2020
Borrowing - Non Current (Refer Note No. 18)	35,223	(6,345)	28,878
Borrowing - Current (Refer Note No. 20)	35,507	392	35,899
Total	70,730	(5,953)	64,777

As per our Report of even date

For and on the Behalf of the Board

FOR RAJENDRA & CO.Chartered Accountants
(Firm Registration No. 108355W)**(AKSHAY R. SHAH)**Partner
Membership No.103316Place: Mumbai
Date: 5th May, 2021**FOR O. P. DAD & CO.**Chartered Accountants
(Firm Registration No. 002330C)**(O. P. DAD)**Partner
Membership No. 035373Place : Bhilwara
Date: 5th May, 2021**(R.P. SONI)**Chairman
(DIN 00401439)**(S. N. MODANI)**Managing Director & CEO
(DIN 00401498)**(ANURAG SONI)**Chief Financial Officer &
Whole-time Director
(DIN 03407094)**(V. K. SODANI)**Executive Director
(DIN 00403740)**(A. K. JAIN)**Company Secretary
(M No: F-7842)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2021

(a) Equity share capital

(₹ in Lakhs)

Particulars	As at 31 st March 2020		As at 31 st March 2020	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	3,94,21,559	3,942	3,94,21,559	3,942
Changes in equity share capital during the year	40,00,000	400	-	-
Balance at the end of the reporting year	4,34,21,559	4,342	3,94,21,559	3,942

(b) Other equity

(₹ in Lakhs)

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	General Reserve	Retained Earnings	Capital Reserve	Preference Share Capital Redemption Reserve	Securities Premium	Remeasurement of Defined Benefit Plans	Effective Portion of Cash Flow Hedges	
Balance at 31st March, 2019	22,818	17,877	297	1,178	5,868	90	-	48,128
Profit for the year	-	1,328	-	-	-	-	-	1,328
Other comprehensive income/ (loss) for the year	-	-	-	-	-	-	(210)	(210)
Total comprehensive income for the year	-	1,328	-	-	-	-	(210)	1,118
Dividend paid	-	(394)	-	-	-	-	-	(394)
Dividend distribution tax	-	(81)	-	-	-	-	-	(81)
Balance at 31st March, 2020	22,818	18,730	297	1,178	5,868	90	(210)	48,770
Balance at the beginning of the reporting year	22,818	18,730	297	1,178	5,868	90	(210)	48,770
Profit for the year	-	421	-	-	-	-	-	421
Other comprehensive income/ (loss) for the year	-	-	-	-	-	261	234	495
Total comprehensive income for the year	-	421	-	-	-	261	234	916
Issue of Equity Shares	-	-	-	-	1,600	-	-	1,600
Dividend paid	-	(394)	-	-	-	-	-	(394)
Dividend distribution tax	-	-	-	-	-	-	-	-
Balance at 31st March, 2021	22,818	18,756	297	1,178	7,468	351	24	50,892

The accompanying notes are an integral part of these financial statements

As per our Report of even date

For and on the Behalf of the Board

FOR RAJENDRA & CO.
Chartered Accountants
(Firm Registration No. 108355W)

FOR O. P. DAD & CO.
Chartered Accountants
(Firm Registration No. 002330C)

(AKSHAY R. SHAH)
Partner
Membership No.103316

(O. P. DAD)
Partner
Membership No. 035373

(R.P. SONI)
Chairman
(DIN 00401439)

(S. N. MODANI)
Managing Director & CEO
(DIN 00401498)

(V. K. SODANI)
Executive Director
(DIN 00403740)

Place: Mumbai
Date: 5th May, 2021

Place : Bhilwara
Date: 5th May, 2021

(ANURAG SONI)
Chief Financial Officer &
Whole-time Director
(DIN 03407094)

(A. K. JAIN)
Company Secretary
(M No: F-7842)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

1. GENERAL INFORMATION:

Sangam (India) Limited ("the Holding Company"), is a public limited company domiciled in India and was incorporated on 29.12.1984 under the provisions of the Companies Act, 1956 (now replaced by Companies Act 2013) as applicable in India. Its shares are listed on National Stock Exchange of India (NSE) and Bombay Stock Exchange (BSE) of India.

The registered office of the Company is located at Atun, Chittorgarh Road, Bhilwara – 311 001, Rajasthan, India.

The Company is principally engaged in the business of manufacturing and selling of Synthetic Blended, Cotton & Texturised yarn, Fabrics, Denim Fabrics and readymade seamless garment.

The Company has manufacturing facilities at Atun, Biliya kalan & Sareri in district Bhilwara and Soniyana in district Chittorgarh in Rajasthan and caters both the domestic and export markets.

The Company is having 5MW Wind Power Generation facility at Jaisalmer, Rajasthan.

The holding company has a wholly owned subsidiary company (hereinafter collectively called "the group" or "the company") and accordingly these consolidated financial statements have been prepared by the group consisting of accounts of the parent and its wholly owned subsidiary.

2. BASIS OF ACCOUNTING

2.1 The notes including significant policies to the Consolidated Financial Statements are intended to serve as a guide for better understanding of the Group's position. In this respect, the Company has disclosed such notes and policies which represent the required disclosure.

2.2 The list of subsidiaries included in the Consolidated Financial Statements are as under:

Sl. No.	Name of subsidiary company	Country of incorporation	Proportion of ownership interest and voting power (%)
1.	Sangam Lifestyle Ventures Limited	India	100

The subsidiary company was incorporated on 14th June, 2016 and became the wholly owned subsidiary of the parent company from the date of incorporation.

2.3 Other Equity shown in the Consolidated Balance Sheet and profit in the Consolidated Statement of Profit & Loss, Other Comprehensive income, Total Comprehensive income is after setting off the Group's share in the loss of the wholly owned subsidiary.

2(A) Principles of consolidation

- (i) The consolidated financial statements incorporate the financial statements of the Parent Company and its wholly owned subsidiary. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as a subsidiary. The Parent Company together with its subsidiary constitutes the Group. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.
- (ii) Consolidation of a subsidiary begins when the Parent Company, directly or indirectly, obtains control over the subsidiary and ceases when the Parent Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of Profit and Loss from the date the Parent Company, directly or indirectly, gains control until the date when the Parent Company, directly or indirectly, ceases to control the subsidiary.
- (iii) The consolidated financial statements of the Group combines financial statements of the Parent Company and its subsidiary line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealized profits/losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiary have been harmonized to ensure the consistency with the policies adopted by the Parent Company. The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company.
- (iv) The gains/losses in respect of part divestment/dilution of stake in subsidiary companies not resulting in ceding of control are recognized directly in other equity attributable to the owners of the Parent Company.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

3. BASIS OF PREPARATION:

A. Statement of compliance

These consolidated financial statements of the group have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and division II of Schedule III of the Companies Act 2013.

These financial statements were approved for issue in accordance with the resolution of the Board of Directors as per its meeting held on 5th May, 2021.

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest lakhs, except as stated otherwise.

C. Basis of measurement

The financial statements have been prepared under the historical cost convention on accrual basis. The following items are measured on each reporting date as under:

Items	Measurement Basis
Net defined benefit(asset)/liability	Fair value of plan assets less present value of defined benefit obligations

D. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- Classification of leases into finance or operating lease
- Leases: whether an arrangement contains a lease.
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the subsequent period financial statements is included below:

- Estimation of current and deferred tax expense and asset/ liability.
- Estimated useful life of property, plant and equipment.
- Estimation of defined benefit obligation.
- Measurement and likelihood of occurrence of provisions and contingencies.
- Impairment of trade receivables.

E. Measurement of fair values

Company's accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the controller.

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized in a fair value hierarchy based on the inputs used in the valuation techniques as under:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted price included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3.1 SIGNIFICANT ACCOUNTING POLICIES:

A. Current and non-current classification

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

Assets:

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within twelve months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to

settle a liability for at least twelve months after the reporting date.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
 - b) it is held primarily for the purpose of being traded;
 - c) it is due to be settled within twelve months after the reporting date; or
 - d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.
- Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets/ liabilities are classified as non-current.

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

B. Property, plant and equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Property, plant and equipment acquired on hire purchase basis are recognised at their cash values. For qualifying assets, borrowing costs are capitalized in accordance with the company's accounting policy.

PPE not ready for the intended use on the date of the Balance Sheet is disclosed as "capital work-in-progress".

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land and properties under construction) less their residual values over

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Depreciation on additions to/deductions from, owned assets is calculated pro rata to the period of use.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Assets acquired under finance leases are depreciated on a straight line basis over the lease term. Where there is reasonable certainty that the company shall obtain ownership of the assets at the end of the lease term, such assets are depreciated based on the useful life prescribed under Schedule II to the Companies Act, 2013 or based on the useful life adopted by the company for similar assets.

Freehold land is not depreciated.

An item of Property, plant and equipment is derecognized when it is estimated that Company will not receive future economic benefits from its use or upon its disposal. Any gains and losses on disposal of such item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

C. Depreciation and amortisation:

Depreciation method, estimated useful lives and residual values are determined based on technical parameters / assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The estimated useful life of Property, Plant & Equipment is aligned to the useful life specified under Schedule II to the Companies Act, 2013 except useful life for computing depreciation in the following case:

Assets	Useful Life estimated by the management (Based on Technical Evaluation)
Plant and Equipment and Electrical Installations:	
(i) For Textiles	9.19 years
(ii) For Power Generation	18 years

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the Property, Plant and Equipment are likely to be used.

Depreciation on additions to property, plant and equipment is provided on a pro-rata basis from the date of acquisition or installation, and in the case of a new project, from the date of commencement of commercial production.

Depreciation on an item of property, plant and equipment sold, discarded, demolished or scrapped, is provided up to the date on which such item of property, plant and equipment is sold, discarded, demolished or scrapped.

Capitalised spares are depreciated over their own estimated useful life or the estimated useful life of the parent asset whichever is lower.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

D. Intangible assets

Intangible assets that are acquired by the company, that have finite useful lives, are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

Subsequent expenditures related to an item of intangible assets are added to its carrying amount when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Any gains and losses on disposal of such intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

Finite life intangible assets are amortised on a straight line basis over the period of their expected useful lives.

Amortisation

A summary of the policies applied to the intangible assets is, as follows:

Intangible assets	Useful life Amortisation method used
Computer software	Finite (5 years)

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

E. Research and development expenditure on new products:

- (i) Expenditure on research is expensed under respective heads of account in the period in which it is incurred.
- (ii) Development expenditure on new products is capitalized as intangible asset, if all of the following can be demonstrated:
 - A. the technical feasibility of completing the intangible asset so that it will be available for use or sale;
 - B. the company has intention to complete the intangible asset and use or sell it;
 - C. the company has ability to use or sell the intangible asset;
 - D. the manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible

asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets;

- E. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- F. the company has ability to reliably measure the expenditure attributable to the intangible asset during its development.

Development expenditure that does not meet the above criteria is expensed in the period in which it is incurred.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "intangible assets under development".

F. Impairment of assets

As at the end of each accounting year, the company reviews the carrying amounts of its PPE, investment property, intangible assets and investments in subsidiary company to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. The intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- (i) in the case of an individual asset, at the higher of the net selling price and the value in use; and
- (ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

the company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

G. Financial Instruments

i. Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial assets are recognised at fair value on initial recognition.

Financial assets are subsequently classified as measured at:

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVTOCI)

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows

from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of financial assets

The Company recognises loss allowances for expected credit losses on:

- Financial assets measured at amortised cost;

At each reporting date, the Company assesses whether financial assets carried at amortised cost has impaired and provisions are made for impairment accordingly. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

ii. Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

Financial liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

iii. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and

there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

iv. Derivative financial instruments and hedging activities

A derivative is a financial instrument which changes value in response to changes in an underlying asset and is settled at a future date. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:

- (a) hedges of the fair value of recognised assets or liabilities (fair value hedges); or
- (b) hedges of a particular risk associated with a firm commitment or a highly probable forecasted transaction (cash flow hedges).

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items.

Movements in the hedging reserve are accounted in other comprehensive income and are shown within the statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of hedged item is more than 12

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(a) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(b) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The ineffective portion of changes in the fair value of the derivative is recognised in the Statement of Profit and Loss. Gains or losses accumulated in equity are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects the Statement of Profit and Loss.

When a hedging instrument expires or swapped or unwound, or when a hedge no longer meets the criteria for hedge accounting, any accumulated gain or loss existing in statement of changes in equity is recognised in the Statement of Profit and Loss.

When a forecasted transaction is no longer expected to occur, the cumulative gains/losses that were reported in equity are immediately transferred to the Statement of Profit and Loss.

H. Borrowing costs

Borrowing costs include interest expense calculated using the effective interest method (EIR), finance charges in respect of assets acquired on finance lease and exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs net of any investment income from the temporary investment of related borrowings, which are attributable to the

acquisition, construction or production of a qualifying asset are capitalized / inventoried as part of cost of such asset till such time the asset is ready for its intended use or sale.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

I. Income tax

Income tax comprises current and deferred tax. It is recognised in statement of profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

Temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction;

- Temporary differences related to investment in subsidiary to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets-unrecognized or recognized, are reviewed at each reporting date and are recognized/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized.

Minimum Alternate Tax ('MAT') credit is recognised 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. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

J. Inventories

Inventories are valued at the lower of cost and net realizable value after providing for obsolesces and damages as under:

(i)	Raw and packing materials, stores and spares including fuel	At Cost on FIFO/weighted Averages basis
(ii)	Stock in process	At Cost plus appropriate related production overheads
(iii)	Stock in trade and Finished Goods	At Cost, plus appropriate production overheads

Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out (FIFO) basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

K. Cash and cash equivalents

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

L. Foreign currency translation

- (i) The functional currency and presentation currency of the company is Indian Rupee.
- (ii) Transactions in currencies other than the company's functional currency are recorded on initial recognition using the exchange rate at the transaction date.

At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in profit or loss in the period in which they arise except for:

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

- A. exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- B. exchange differences on transactions entered into in order to hedge certain foreign currency risks.

M. Employee benefits

i. Defined benefit obligations

(a) Post-employment benefits (Gratuity):

The liability recognised in balance sheet in respect of gratuity (unfunded) is the present value of defined benefit obligation at the end of reporting period less fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using projected unit credit method.

Remeasurement actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement if changes in equity and in the balance sheet.

(b) Other employee benefits:

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method.

ii. Defined contribution plan:

Company pays contributions to provident fund, employee pension scheme and employee state insurance as per statutes/ amounts as advised by the Authorities. The Company has no further obligations once the contributions have been paid. The contributions are accounted for as defined

contribution plan and the contributions are recognised as employee benefit expense when they are due.

iii. Short-term benefits:

Liabilities for salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of reporting period in which the employees rendered the related services are recognised in respect of employee's service up to the end of reporting period and are measured at the amount expected to be paid when the liabilities are settled. These liabilities are presented as current employee benefit obligations in the balance sheet.

N. Provision and contingent liabilities

The Company sets up a provision when there is a present legal or constructive obligation as a result of a past event and it will probably requires an outflow of resources to settle the obligation and a reliable estimate can be made. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or where reliable estimate of the obligation cannot be made. Contingent liabilities are disclosed on

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

the basis of judgment of the management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

O. Contingent Assets

Contingent Assets are not recognised in the financial statements. However, these are disclosed in the Director's report.

P. Revenue recognition

(i) Revenue from operations

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration the company is entitled in exchange for those goods or services.

A. Sale of goods

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

B. Rendering of services

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

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

In case of discounts, rebates, credits, price incentives or similar terms, consideration are determined based on its most likely amount,

which is assessed at each reporting period.

C. Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

(ii) Other income

- A. Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate.
- B. Dividend income is accounted in the period in which the right to receive the same is established.
- C. Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

Q. Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the company is treated as an exceptional item and the same is disclosed in the notes to accounts.

R. Government grants

Grants from government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of profit and loss account over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight line basis over the expected lives of the

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

related assets and presented within other income.

S. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ('CODM').

The Company's Board has identified the CODM who is responsible for financial decision making and assessing performance. The Company has a single operating segment as the operating results of the Company are reviewed on an overall basis by the CODM.

T. Leases

As lessee

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset.

Initial measurement

Lease Liability: At the commencement date, a Company measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate. Right-of-use assets: initially recognised at cost, which comprises the initial amount of the lease

liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

Subsequent measurement

Lease Liability: Company measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications. Right-of-use assets: subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the under lying asset.

Impairment:

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Short term Lease or Low Value Lease

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. Low value lease is for which the underlying asset is of low value. If the company elected to apply short term lease / Low Value Lease, the lessee shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standard prospectively to its leases.

U. Earnings per share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving

basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

V. Estimation uncertainty relating to the global health pandemic on COVID-19

The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipments, intangible assets, right of use assets, investments, inventories and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. It has also assessed the probability of occurrence of forecasted transactions under the hedging relationships and continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these consolidated Ind AS financial statements. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

4. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 st March, 2020	Additions	Deletions	As at 31 st March, 2021	As at 31 st March, 2020	Additions	Deletions	As at 31 st March, 2021	As at 31 st March, 2021	As at 31 st March, 2020
Tangible Assets										
Freehold land	1,416	1,354	35	2,735	-	-	-	-	2,735	1,416
Building	21,368	152	610	20,910	2,858	788	32	3,614	17,296	18,510
Plant and Machinery	59,110	3,651	58	62,703	24,201	6,137	-	30,338	32,365	34,909
Wind Power Machines	874	-	-	874	456	114	-	570	304	418
Electric Installation	5,845	80	-	5,925	2,026	582	-	2,608	3,317	3,819
Water Supply Installation	562	16	-	578	81	22	-	103	475	481
Furniture and Fixtures	1,419	11	1	1,429	532	135	-	667	762	887
Vehicles	1,440	448	49	1,839	552	154	7	699	1,140	888
Office Equipments	68	3	-	71	45	8	-	53	18	23
Computers	380	36	-	416	236	67	-	303	113	144
Assets under Finance Lease										
Leasehold Land	50	-	-	50	4	1	-	5	45	46
Total	92,532	5,751	753	97,530	30,991	8,008	39	38,960	58,570	61,541
Previous Year	87,664	5,018	150	92,532	22,912	8,083	4	30,991	61,541	64,752
Capital Work-in-Progress									881	602

5. INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 st March, 2020	Additions	Deletions	As at 31 st March, 2021	As at 31 st March, 2020	Additions	Deletions	As at 31 st March, 2021	As at 31 st March, 2021	As at 31 st March, 2020
Intangible Assets										
Software IT (ERP)	160	430	-	590	79	50	-	129	461	81
Total	160	430	-	590	79	50	-	129	461	81
Previous Year	145	26	11	160	57	22	-	79	81	88
Intangible Assets under Development									-	356

Break up of Pre - Operative Expenses capitalised / deferred for capitalisation under Capital Work in Progress:

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Opening Balance	19	31
Financial Charges	-	57
Direct Costs Attributable to Project	3	10
Total Amount	22	98
Less: Exp. Apportioned to fixed assets	19	79
Balance yet to be allocated	3	19

Note 1:- Borrowing cost capitalized refer Note No. 31

Note 2:- Property, Plant and Equipment given as security for borrowings refer Note No. 18

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

6. INVESTMENTS-NON CURRENT

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Unquoted Non - Trade Investment In Equity Instrument (Measured at Cost)		
Unquoted, fully paid up		
Equity Shares of ₹ 10/- each fully paid up		
Keti Sangam Infrastructure (India) Limited	-	581
NIL (Previous Year 580600)		
PKSS Infrastructure Pvt. Limited	-	-
3900 (Previous Year 3900) ₹ 0.39 Lakhs (Previous Year ₹ 0.39 Lakhs)		
Kalyan Sangam Infratech Limited	4	4
37500 (Previous Year 37500)		
Equity Shares of ₹ 20/- each fully paid		
AP Mahesh Co-Operative Bank Limited	-	-
50 (Previous Year 50)		
₹ 0.01 Lakhs (Previous Year ₹ 0.01 Lakhs)		
Aggregate Amount of unquoted investment	4	585

7. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Security Deposits	989	950
TOTAL	989	950

8. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Capital Advances	499	532
Prepaid Expenses	92	107
TOTAL	591	639

8.1 for all the transaction with related party Refer Note No. 38

9. INVENTORIES

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Raw Materials	13,374	10,256
Stock-in-Process	7,256	6,349
Finished Goods	13,678	17,366
Traded Goods	180	184
Stores, Spares & Fuel	3,147	3,123
TOTAL	37,635	37,278

9.1 For basis of valuation of inventories Refer Note No. 3.1J

9.2 Inventories as above are hypothecated to secured short term borrowings (Refer Note No. 20.1)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

10. TRADE RECEIVABLES

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Trade Receivables considered good - Unsecured	28,001	29,155
Trade Receivables - Credit Impaired	283	281
	28,284	29,436
Less: Provision for Trade Receivables	283	281
TOTAL	28,001	29,155
10.1 Included in the above Receivables amount due from Other Related Party	-	48
10.2 Above Trade Receivables are hypothecated to secured short term borrowings (Refer Note No. 20.1)		

11. CASH & CASH EQUIVALENTS

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Balance with Banks	15	831
Cash on Hand	4	4
TOTAL	19	835

12. OTHER BANK BALANCES

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Earmarked Balances with banks for Unclaimed & Unpaid Dividends	22	23
Fixed Deposits with banks against Margin Money *	969	507
TOTAL	991	530

* These term deposits are placed as a security in favour of bank guarantees issued to various government authorities and against letter of credit issued by banks.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

13. OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
(Considered Good)		
Security Deposits *	272	801
Recoverable from NHAI UP Towards Arbitration Award (Refer Note No. 36)	1,367	1,367
Export Incentive Receivable	658	489
Export Growth Entitlement Receivables	408	408
GST Refund Receivable	490	484
Subsidy Receivable	1,344	1,063
Advances for Expenses	20	20
Less : Allowances for Advances	(20)	(20)
Inter Corporate Deposits - Unsecured	600	-
Advance to Employees	99	58
Interest Receivable	258	193
Accrued Income	19	75
Insurance Claim Receivable	6	14
TOTAL	5,521	4,952
* Included in the above Security Deposits amount from Other Related Party	-	516

14. CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Income Tax Refund Receivable	565	445
TOTAL	565	445

15. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Recoverable from Govt.	52	52
Advance to Employees (For Expenses)	5	14
Advance against Supplies	3,271	2,439
GST Balances	2,943	3,247
GST / Excise / VAT Recoverable	84	100
Prepaid Expenses	280	250
TOTAL	6,635	6,102



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

16. EQUITY SHARE CAPITAL

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Authorised Share Capital:		
6,40,00,000 (Previous Year 6,40,00,000) Equity share of ₹ 10 each	6,400	6,400
1,85,00,000 (Previous Year 1,85,00,000) Non - Cumulative Redeemable Preference Shares of ₹ 10 each	1,850	1,850
TOTAL	8,250	8,250
Issued, Subscribed and Paid Up:		
4,34,21,559 (Previous Year 3,94,21,559) Equity share of ₹ 10 each fully paid up	4,342	3,942
TOTAL	4,342	3,942

a. Terms and Rights attached to Equity Shares

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 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. There is no restriction on distribution of dividend. However, same is subject to the approval of the shareholders in the Annual General Meeting.

b. Reconciliation of number of shares outstanding at the beginning and end of the year:

Equity Shares as at 31 st March, 2020	3,94,21,559	3,94,21,559
Add: Shares Issued During the year	40,00,000	-
Equity Shares as at 31 st March, 2021	4,34,21,559	3,94,21,559

c. Shareholders' holding more than 5% shares in the Company:

Name of the Shareholder	As at 31 st March, 2021		As at 31 st March, 2020	
	No. of Shares	% held	No. of Shares	% held
Sangam E-Com Limited	78,73,087	18.13	78,73,087	19.97
Authum Investment and Infrastructure Limited	49,83,634	11.48	50,12,355	12.71
Nidhi Mercantiles Limited	48,98,833	11.28	48,98,833	12.43
Anurag Soni	37,10,397	8.55	27,10,397	6.87
Hawamahal Finance Pvt. Limited	23,35,500	5.38	23,35,500	5.92
Sangam Fincap Limited	22,16,145	5.10	22,16,145	5.62

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

17. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Capital Reserve		
Balance at the beginning of the year	297	297
Addition during the Financial Year	-	-
Balance at the end of the year	297	297
Securities Premium		
Balance at the beginning of the year	5,868	5,868
Addition during the Financial Year	1,600	-
Balance at the end of the year	7,468	5,868
Preference Share Capital Redemption Reserve		
Balance at the beginning of the year	1,178	1,178
Addition during the Financial Year	-	-
Balance at the end of the year	1,178	1,178
General Reserve		
Balance at the beginning of the year	22,818	22,818
Add: Transferred from Retained Earnings	-	-
Balance at the end of the year	22,818	22,818
Retained Earnings		
Balance at the beginning of the year	18,730	17,877
Add: Profit for the year	421	1,328
Less: Appropriations		
Transferred to General Reserve	-	-
Dividend on Equity Shares	394	394
Dividend Distribution Tax on Dividend *	-	81
Balance at the end of the year	18,756	18,730
Other Comprehensive Income		
Balance at the beginning of the year	(120)	90
Addition during the year	495	(210)
Balance at the end of the year	375	(120)
TOTAL	50,892	48,770

* Dividend Distribution Tax is not applicable from 1st April, 2020.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Nature and Purpose of Other Reserves / Other Equity

17.1 Capital Reserve

Capital Reserve created on account of merger/ amalgamation. The balance will be utilized for issue of fully paid bonus shares and as per provisions of the Companies Act, 2013.

17.2 Securities Premium

Balance of Security premium consist of premium on issue of share over its face value. The balance will be utilised for issue of fully paid bonus shares, buy-back of its own share as per provisions of the Companies Act, 2013.

17.3 Preference Share Capital Redemption Reserve

Preference Share Capital Redemption Reserve represents the statutory reserves created when the capital is redeemed and the same will be utilised for issue of bonus share as per provisions of the Companies Act, 2013.

17.4 General Reserve

The Company appropriates a portion to General Reserves out of the profits voluntarily to meet future contingencies. The said reserves is available for payment of dividend to the shareholders as per the provisions of the of the Companies Act, 2013.

17.5 Remeasurement of defined benefit plans

Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:

- (a) Actuarial Gains and Losses
- (b) The return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
- (c) Any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

17.6 Dividend

The following dividends were declared and paid by the Company during the year.

(₹ in Lakhs)		
Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Dividend for the year ended 31 st March, 2020 ₹ 1 per share (31 st March, 2019 ₹ 1 per share)	394	394
Dividend Distribution Tax on dividend *	-	81
TOTAL	394	475

* Dividend Distribution Tax is not applicable from 1st April, 2020.

18. BORROWINGS

(₹ in Lakhs)		
Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Secured		
Term Loans From Banks		
Rupee Loans	19,945	23,939
Vehicle Loans From Banks	492	289
TOTAL (A)	20,437	24,228

18.1 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 all 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 bankers. The above Terms Loans are further secured by personal guarantee of two directors of the company.

18.2 Vehicle Loans (including current maturities) are secured by hypothecation of respective vehicle(s)

18.3 There is no default in repayment or interest of any loans on due dates.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

A) Floating Rate-Carrying Floating interest rate MCLR + 0.75% to 3.90%

(₹ in Lakhs)

Date of Maturity	Outstanding as on 31 st March, 2021			Installments due after 31 st March, 2021 (Quarterly)
	Total Outstanding	Long Term Maturity	Current Maturity	
From Banks:				
20 th September, 2021	320	-	320	2
20 th March, 2024	1,800	1,200	600	12
30 th June, 2024	2,800	1,800	1,000	14
31 st December, 2024	3,892	2,737	1,155	15
01 st July, 2025	4,177	3,535	642	17
30 th June, 2026	8,923	7,823	1,100	21
01 st October, 2028	2,194	2,048	146	31
Sub Total (A)	24,106	19,143	4,963	

B) Carrying interest rate (1 Year MCLR)

(₹ in Lakhs)

Date of Maturity	Outstanding as on 31 st March, 2021			Installments due after 31 st March, 2021 (Monthly)
	Total Outstanding	Long Term Maturity	Current Maturity	
From Banks:				
31 st July, 2022	1,822	454	1,368	16
Sub Total (B)	1,822	454	1,368	

C) Carrying interest rate (1 Year MCLR+0.50%)

(₹ in Lakhs)

Date of Maturity	Outstanding as on 31 st March, 2021			Installments due after 31 st March, 2021 (Monthly)
	Total Outstanding	Long Term Maturity	Current Maturity	
From Banks:				
31 st July, 2022	1,420	349	1,071	17
Sub Total (C)	1,420	349	1,071	
TOTAL (A+B+C)	27,348	19,946	7,402	

Vehicle Loans from Banks & Financial Institutions

D) Carrying Fixed interest rate 7.5% to 10.60%

(₹ in Lakhs)

Particulars	Outstanding as on 31 st March, 2021			Installments due after 31 st March, 2021 (Monthly)
	Total Outstanding	Long Term Maturity	Current Maturity	
From Banks:	657	492	165	1-82
Sub Total (D)	657	492	165	
GRAND TOTAL (A+B+C+D)	28,005	20,437	7,567	

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

A) Floating Rate-Carrying Floating interest rate MCLR + 0.75% to 3.90%

(₹ in Lakhs)

Date of Maturity	Outstanding as on 31 st March, 2020			Installments due after 31 st March, 2020 (Quarterly)
	Total Outstanding	Long Term Maturity	Current Maturity	
From Banks:				
31 st March, 2021	1,366	-	1,366	3
20 th June, 2021	640	160	480	4
20 th December, 2023	2,100	1,650	450	14
30 th June, 2024	3,200	2,600	600	16
31 st December, 2024	4,837	3,937	900	18
01 st July, 2025	4,692	4,348	344	20
30 th September, 2026	9,375	9,050	325	25
Sub Total (A)	26,210	21,745	4,465	-

B) Carrying interest rate (Fixed Rate @ 9.25%.)

(₹ in Lakhs)

Date of Maturity	Outstanding as on 31 st March, 2020			Installments due after 31 st March, 2020 (Quarterly)
	Total Outstanding	Long Term Maturity	Current Maturity	
From Banks:				
01 st October, 2028	2,250	2,194	56	33
Sub Total (B)	2,250	2,194	56	
Total Rupee Term Loan (A+B)	28,460	23,939	4,521	

Vehicle Loans from Banks & Financial Institutions

C) Carrying Fixed interest rate 8.46% to 10.60%

(₹ in Lakhs)

Particulars	Outstanding as on 31 st March, 2020			Installments due after 31 st March, 2020 (Monthly)
	Total Outstanding	Long Term Maturity	Current Maturity	
From Banks:	416	289	127	1-84
From Institutions	2	-	2	9
Sub Total (C)	418	289	129	
Grand Total (A+B+C)	28,878	24,228	4,650	

19. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Deferred Tax Assets		
Accrued expenses allowable on payment basis	721	798
Related to Unabsorbed Depreciation & losses	229	204
Allowance for Bad & Doubtful Debts	106	105
sub total (a)	1,056	1,107
Deferred Tax Liabilities		
Related to Property, Plant and Equipment and Intangible Assets	6,183	6,393
Others	14	(113)
sub total (b)	6,197	6,280
Less : MAT Credit Entitlement (c)	246	262
Deferred Tax Liabilities (Net) (b)-(a)-(c)	4,895	4,911

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(₹ in Lakhs)

A. Movement in deferred tax balances	As at 31 st March, 2020	Recognized in P&L	Recognized in OCI	As at 31 st March, 2021
(a) Deferred Tax Assets				
Accrued expenses allowable on payment basis	798	62	(139)	721
Related to Unabsorbed Depreciation & losses	204	25	-	229
Allowance for Bad & Doubtful Debts	105	1	-	106
Sub-Total (a)	1,107	88	(139)	1,056
(b) Deferred Tax Liabilities				
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/ amortization for financial reporting	6,393	(210)	-	6,183
Fair value changes on derivatives designated as cash flow hedges	(113)	-	127	14
Sub-Total (b)	6,280	(210)	127	6,197
(c) MAT Credit				
MAT Credit Entitlement				
MAT Credit Earlier Year	262	647	-	909
MAT Credit Current Year	-	-	-	(663)
Sub-Total (c)	262	647	-	246
Deferred Tax Liabilities (Net) (b)-(a)-(c)	4,911	(945)	266	4,895

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	Recognized in P&L	Recognized in OCI	As at 31 st March, 2020
(a) Deferred Tax Assets				
Accrued expenses allowable on payment basis	624	173	1	798
Related to Unabsorbed Depreciation & losses	205	(1)	-	204
Allowance for Bad & Doubtful Debts	101	4	-	105
Sub-Total (a)	930	176	1	1,107
(b) Deferred Tax Liabilities				
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/ amortization for financial reporting	6,648	(255)	-	6,393
Fair value changes on derivatives designated as cash flow hedges	-	-	(113)	(113)
Sub-Total (b)	6,648	(255)	(113)	6,280
(c) MAT Credit				
MAT Credit Entitlement				
MAT Credit Earlier Year	1,118	-	-	1,118
MAT Credit Current Year	-	-	-	(856)
Sub-Total (c)	1,118	-	-	262
Deferred Tax Liabilities (Net) (b)-(a)-(c)	4,600	(431)	(114)	4,911

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(₹ in Lakhs)

B. Amounts recognised in profit or loss	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Current tax expense		
Current Year	724	1,232
Earlier Years	(647)	(115)
	77	1,117
Deferred tax expense		
Origination and reversal of temporary differences	(300)	(431)
	(300)	(431)
Total Tax Expense	(223)	686

(₹ in Lakhs)

C. Amounts recognised in Other Comprehensive Income	For the year ended 31 st March, 2021		
	Before tax	Tax (Expense)/ Income	Net of tax
Remeasurements of defined benefit liability	400	(139)	261
Fair value changes on derivatives designated as cash flow hedges	361	(127)	234
TOTAL	761	(266)	495

Particulars	For the year ended 31 st March, 2020		
	Before tax		Net of tax
Remeasurements of defined benefit liability	(1)	1	-
Fair value changes on derivatives designated as cash flow hedges	(323)	113	(210)
	(324)	114	(210)

(₹ in Lakhs)

D. The income tax expenses for the year reconciled to the accounting profit as follows :	2020-21	2019-20
Profit Before Tax	198	2,014
Applicable Tax Rate	34.94%	34.94%
Computed Tax Expense	69	704
Tax effect of :		
Exempted income / Items Considered Separately	(49)	(11)
Expenses Disallowed	901	906
Additional Allowances	(197)	(367)
Current Tax Provision (A)	724	1,232
Incremental Deferred Tax Liability on account of Tangible and Intangible Assets	(273)	(430)
Incremental Deferred Tax on account of Unabsorbed Business Losses	27	(1)
Taxes recognised in Statement of Profit & Loss (B)	(300)	(431)
Net Taxes (A+B)	424	801
Effective Tax Rate	214.21%	39.76%

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

20. BORROWINGS

(₹ in Lakhs)

Particulars	2020-21	2019-20
Secured		
Loans Repayable on Demand from Banks		
Rupee Loans	23,944	28,330
Foreign Currency Loans	7,002	6,824
TOTAL (A)	30,946	35,154
Unsecured		
Loans Repayable on Demand from Others		
Rupee Loans (Refer Note No. 20.5)	-	745
TOTAL (B)	-	745
TOTAL (A+B)	30,946	35,899

20.1 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 immoveable and moveable Property, Plant & Equipments of the company. The above borrowing are further secured by personal guarantee of two directors of the company. There is no default in repayment or interest of any loans on due dates.

20.2 Rupee Loans carry floating interest rate from 7.50% to 10.50% per annum, computed monthly.

20.3 Rupee Loans from Banks includes a loan of ₹ NIL (Previous Year ₹ 638 Lakhs) from Indusind Bank Limited Which is secured by pledge of cotton bales.

20.4 Foreign Currency Loans carry floating interest rate LIBOR+1.30 to 4.30% per annum, computed monthly.

20.5 Unsecured Rupee Loan from others carrying interest rate 11.00% per annum, computed monthly.

21. TRADE PAYABLES

(₹ in Lakhs)

Particulars	2020-21	2019-20
Total outstanding dues of Micro enterprises and Small enterprises (Refer Note No. 37)	630	763
Total outstanding dues of creditors other than micro enterprises and Small enterprises	10,977	10,703
TOTAL	11,607	11,466

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

22. OTHER FINANCIAL LIABILITIES

	(₹ in Lakhs)	
Particulars	2020-21	2019-20
Current maturities of long term debt	7,567	4,650
Interest accrued but not due on borrowings	75	231
Unpaid Dividends #	22	23
Creditors for Capital Expenditure	895	238
Security Deposit	401	288
Liability towards Staff and Workers	1,824	1,044
Commission Payable on Sales	1,193	1,583
Liabilities for Expenses * [§]	3,036	3,689
TOTAL	15,013	11,746
# There is no overdue amount to be credited to investor education & protection fund.		
* Include total outstanding dues of micro enterprises and small enterprises	21	36
[§] Included in the above amount due to Relatives of Key Managerial Persons	-	26

23. OTHER CURRENT LIABILITIES

	(₹ in Lakhs)	
Particulars	2020-21	2019-20
Security Deposit	2	189
Advance from Customers	718	802
Liabilities for Expenses	76	83
Statutory Dues	239	263
TOTAL	1,035	1,337

24. PROVISIONS

	(₹ in Lakhs)	
Particulars	2020-21	2019-20
Provisions for Employee Benefits	1,696	1,752
TOTAL	1,696	1,752

25. REVENUE FROM OPERATIONS

	(₹ in Lakhs)	
Particulars	2020-21	2019-20
Sale of Products/ Income from Services	1,35,897	1,79,011
TOTAL	1,35,897	1,79,011
PARTICULARS OF SALE OF PRODUCTS/SERVICES		
a) Sale of Products		
Finished Goods	1,27,520	1,65,026
Traded Goods	959	4,108
Sub Total (a)	1,28,479	1,69,134

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(₹ in Lakhs)

PARTICULARS OF SALE OF PRODUCTS/SERVICES	2020-21	2019-20
b) Sale of Services		
Job Processing	5,081	7,094
Sub Total (b)	5,081	7,094
c) Other Operating Revenues		
Sale of Waste	1,074	1,113
Export Benefits / Incentives	1,263	1,670
Sub Total (c)	2,337	2,783
TOTAL (a+b+c)	1,35,897	1,79,011

26. OTHER INCOME

(₹ in Lakhs)

Particulars	2020-21	2019-20
Interest Income on Financial Assets at amortized cost		
from Customers	341	544
from Others	101	228
Other Non-Operating Income		
Insurance Claim	5	-
Rent	3	-
Net Gain on Foreign Currency Fluctuation	359	-
Profit on Sale of Property, Plant & Equipment (Net)	140	32
Miscellaneous Receipts	32	43
TOTAL	981	847

27. COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	2020-21	2019-20
Raw Material Consumed	65,462	90,159
Consumption of Dyes & Chemical	5,231	8,074
TOTAL	70,693	98,233

28. PURCHASES OF STOCK IN TRADE

(₹ in Lakhs)

Particulars	2020-21	2019-20
Stock in Trade – Yarn	-	610
Stock in Trade – Fabric	894	3,343
Stock in Trade – Readymade Garment	-	7
Stock in Trade – Seamless Garment	146	54
TOTAL	1,040	4,014



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

29. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	2020-21	2019-20
Inventories at the end of the year		
Finished Goods	13,678	17,366
Work-in-Progress	7,256	6,349
Total	20,934	23,715
Inventories at the beginning of the year		
Finished Goods	17,366	16,139
Work-in-Progress	6,349	6,411
Total	23,715	22,550
(INCREASE) / DECREASE IN INVENTORY	2,781	(1,165)

30. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	2020-21	2019-20
Salaries and Wages	13,906	17,903
Contribution to Provident and Other Funds	933	1,249
Staff Welfare Expenses	122	89
TOTAL	14,961	19,241

31. FINANCE COSTS

(₹ in Lakhs)

Particulars	2020-21	2019-20
Interest Expenses	4,509	6,165
Other Borrowing Costs	350	423
Loss on foreign currency transactions and translation (Considered as finance cost)	80	293
TOTAL	4,939	6,881
31.1 Net of Interest Capitalised (Refer Note No. 4)	-	55
31.2 Net of Interest Subsidy (TUF/RIPS)	750	784

32. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	2020-21	2019-20
Depreciation on Tangible Assets	8,008	8,083
Amortisation of Intangible Assets	50	22
TOTAL	8,058	8,105

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

33. OTHER EXPENSES

(₹ in Lakhs)

Particulars	2020-21	2019-20
A. Manufacturing Expenses		
Stores & Spares Consumed	3,147	3,592
Packing Material Consumed	1,698	2,045
Processing and Job Charges	2,020	2,571
Repairs To : Plant & Machinery	353	525
Repairs To : Building	73	154
Repairs To : Others	38	48
Misc. Manufacturing Expenses	1,600	2,150
Sub Total (A)	8,929	11,085
B. Administrative Expenses		
Rent (including short term lease rent)	229	219
Rates & Taxes	83	302
Payments to Auditors : Statutory Audit Fees	15	15
Reimbursement of Expenses	-	2
Cost Audit Fees	1	1
Insurance Premium	461	391
Directors' Travelling	1	43
Travelling & Conveyance	110	336
Telephone & Postage	148	95
Directors' Remuneration	381	493
Printing & Stationery	20	41
Legal & Professional Fees	199	220
Vehicle Running & Maintenance	414	476
Director's Sitting Fees	13	11
Charity and Donations	-	26
Advances Written Off	252	-
Miscellaneous Expenses	232	240
Contribution towards CSR	97	265
Sub Total (B)	2,656	3,176
C. Selling & Distribution Expenses		
Sales Commission & Brokerage	1,910	2,231
Freight, Octroi and Other Selling Expenses	4,103	3,041
Bad Debts Written Off *	863	30
Sub Total (C)	6,876	5,302
D. Other Expenses		
Loss on Foreign Currency Fluctuation	-	91
Sub Total (D)	-	91
TOTAL (A+B+C+D)	18,461	19,654

*(Bad Debts Written Off ₹ NIL (Previous Year ₹ 16 Lakhs) out of Provision for Trade Receivables)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

34. OTHER COMPREHENSIVE INCOME

	(₹ in Lakhs)	
Particulars	2020-21	2019-20
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	400	(1)
Tax relating to remeasurement of defined benefit plans	(139)	1
Sub Total (A)	261	-
Items that will be reclassified to profit or loss		
Fair value changes on derivatives designated as cash flow hedges	361	(323)
Tax on items that will be reclassified subsequently to Profit & Loss	(127)	113
Sub Total (B)	234	(210)
TOTAL (A+B)	495	(210)

35. EARNINGS PER SHARE (EPS)

	(₹ in Lakhs)	
Particulars	2020-21	2019-20
i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders ₹ in Lakhs	421	1,328
ii) Weighted Average number of equity shares used as denominator for calculating EPS	4,04,29,778	3,94,21,559
iii) Basic and Diluted Earning per share (₹)	1.04	3.37
iv) Face Value per equity share (₹)	10	10

36. The Company had undertaken a Toll user collection contract with National High Way Authority of India (NHAI) for Ushaka Toll Plaza on N.H. No. 25. Due to Dispute with NHAI the contract was terminated and the matter was referred to arbitration. The Arbitrator had given the award in favour of the company during F.Y. 2015-16 which was disputed by NHAI and filed an appeal against the same with the single bench of Delhi High Court, which referred the matter back for arbitration. The Company has objected to the above decision before the division bench of Delhi High Court and filed an appeal to stay the order. The Delhi High Court has admitted the appeal and stayed the said order.

Based on the legal provisions and the facts, the management is of the opinion that the company would be successful in its claim for recovery of the dispute amount. The other current financial asset includes the above claim amounting to ₹ 1367/-Lakhs.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

37. DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	651	799
- Principal amount due to micro and small enterprises*	-	-
- Interest due on above	-	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006.	-	-

The figures have been disclosed on the basis of information received from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and/or based on the information available with the company. Further, no interest during the year has been paid or payable under the provisions of the MSMED Act, 2006.

* Include total outstanding dues of micro enterprises and small enterprises of ₹ 630 Lakhs (Previous Year ₹ 763 Lakhs) included in Trade Payables.

* Include total outstanding dues of micro enterprises and small enterprises of ₹ 21 Lakhs (Previous Year ₹ 36 Lakhs) in other liabilities under the other current financial liabilities.

38. DISCLOSURE OF RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24 "RELATED PARTY DISCLOSURES".

(A) Details of Related Parties

1 Key Managerial Personnel (KMP)

Shri R.P. Soni	Chairman
Shri S.N. Modani	Managing Director & Chief Executive Officer
Shri V.K. Sodani	Executive Director
Shri Anurag Soni	Chief Financial Officer & Whole - time Director (Appointed as Chief Financial Officer w.e.f. 24 th June, 2020 & Appointed as Whole - time Director w.e.f. 21 st January, 2021)
Shri A.K. Jain	Company Secretary
Shri Anil Jain	CFO (Retired w.e.f. 31 st March, 2020)

2 Non Executive Director/ Independent Director

Shri Achintya Karati
Shri T.K. Mukhopadhyay
Smt. Jyoti Sharma (Appointed w.e.f. 24 th June, 2020)
Shri Yaduvendra Mathur (Appointed w.e.f. 21 st January, 2021)
Shri Ramawatar Jaju (Resigned w.e.f. 24 th December, 2019)
Ms. Seema Srivastava (Resigned w.e.f. 2 nd March, 2020)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

3 Relatives of Key Managerial Personnel (KMP)

Smt. Radha Devi Soni
Smt. Mamta Modani
Smt. Archana Sodani
Smt. Anjana Thakur
Smt. Antima Bass
Shri Pranal Modani
Smt. Palak Modani
Smt. Krippie Soni
Ms. Mihika Sodani

4 Other Related Parties

SMW Ispat Private Limited (Director common)
(Formerly known as "Mahalaxmi TMT Private Limited")
Sangam E-com Limited (Director Common)
Raj Rajeshwar Enterprises Private Limited (Relative of Director is member)
Laddha Construction Company Private Limited (Relative of Director is member)
R.P. Soni HUF (Director is karta)
M/s Badri Lal Soni Charitable Trust (Director is trustee)
M/s Kesar Bai Soni Charitable Trust (Director is trustee)
Sangam Business Credit Limited (Person Acting in Concert)
Nikita Credits Private Limited (Person Acting in Concert)
Fashion Funda.Com Private Limited (Person Acting in Concert)

(B) Disclosure of related party transactions:

		(₹ in Lakhs)	
S. No.	Nature of transaction/relationship/major parties	Relationship	2020-21
			Amount
			2019-20
			Amount
1	Purchase of goods & services (including commission paid)		
	(a) Purchase of Service		
	Smt. Anjana Thakur	Relatives of Key Managerial Personnel (KMP)	-
			2
	(b) Purchase of Land		
	Laddha Construction Company Private Limited	Other Related Parties	1,199
			-
2	Sale of goods/contract revenue & services		
	(a) Sale of Goods		
	SMW Ispat Private Limited	Other Related Parties	52
			121
3	Rent paid		
	Smt. Radha Devi Soni	Relatives of Key Managerial Personnel (KMP)	90
			90
	Smt. Mamta Modani	Relatives of Key Managerial Personnel (KMP)	5
			5
	Sh. Anurag Soni	Key Managerial Personnel (KMP)	13
			12
	Smt. Antima Bass	Relatives of Key Managerial Personnel (KMP)	18
			18

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(₹ in Lakhs)

S. No.	Nature of transaction/relationship/major parties	Relationship	2020-21	2019-20
			Amount	Amount
	Smt. Antima Bass	Relatives of Key Managerial Personnel (KMP)	18	18
	Smt. Krippie Soni	Relatives of Key Managerial Personnel (KMP)	6	-
	R.P. Soni HUF	Other Related Parties	12	12
	Laddha Construction Company Private Limited	Other Related Parties	23	18
4	Insurance paid for			
	(a) Key Managerial Personnel			
	Shri S.N. Modani		12	2
	Shri Anurag Soni		10	10
5	Compensation paid to key management personnel:			
	Remuneration			
	(1) Short-term employment benefits / Salary			
	(i) Key Managerial Personnel			
	Shri R.P. Soni		193	236
	Shri S.N. Modani		106	139
	Shri V.K. Sodani		57	62
	Shri Anurag Soni		47	60
	Shri Anil Jain		-	39
	Shri A.K. Jain		6	6
	(ii) Relatives of Key Managerial Personnel			
	Smt. Antima Bass		-	1
	Shri Pranal Modani		29	38
	Smt. Palak Modani		7	9
	Ms. Mihika Sodani		48	1
	Smt. Mamta Modani		12	-
	Smt. Archana Sodani		6	-
	(2) Director Sitting fees			
	Shri Ramawatar Jaju		-	1
	Shri Achintya Karati		6	5
	Shri T.K. Mukhopadhyay		6	4
	Ms. Seema Srivastava		-	1
	Smt. Jyoti Sharma		2	-
	(3) Commission			
	Shri R.P. Soni		6	25
	Shri S.N. Modani		6	25
	Shri V.K. Sodani		2	6
6	Expenditure Incurred in CSR			
	(i) M/S Badri Lal Soni Charitable Trust	Other Related Parties	7	160
	(ii) M/S Kesar Bai Soni Charitable Trust	Other Related Parties	56	86



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(₹ in Lakhs)

S. No.	Nature of transaction/relationship/major parties	Relationship	2020-21 Amount	2019-20 Amount
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(C) Amount due to/from related parties:

(₹ in Lakhs)

S. No.	Nature of transaction/relationship/major parties	Relationship	2020-21 Amount	2019-20 Amount
1	Trade & other Receivables			
	SMW Ispat Private Limited	Other Related Parties	-	48
	Laddha Construction Company Private Limited	Other Related Parties	-	516
2	Other Payables			
	Shri Anurag Soni	Key Managerial Personnel (KMP)	-	2
	Smt. Antima Bass	Relatives of Key Managerial Personnel (KMP)	-	11
	Smt. Radha Devi Soni	Relatives of Key Managerial Personnel (KMP)	-	13

39. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lakhs)

Particulars	2020-21	2019-20
(I) Contingent Liabilities:		
(a) Guarantees:		
Outstanding Bank Guarantees (Excluding Financial Guarantees)	365	348
(b) Other Money for which the Company is contingently liable:		
1 Stamp Duty dispute pending with Rajasthan High Court, Jodhpur under Rajasthan Stamp Duty Act, 1998.	109	109
2 Various cases pending with Central Excise under Central Excise Act, 1944 & Service Tax cases under Finance Act, 1994 (Net of amount fully provided).	452	452
3 Dispute of Fixed Charges recovery pending with APTEL, New Delhi under Electricity Act, 2003.	66	66
4 Entry Tax dispute for the year 2014-15 & 2015-16 under The Rajasthan Tax on Entry of Goods into Local Area Act, 1999 regarding to interest /penalty.	47	3
5 Disputed VAT Liabilities under The Rajasthan Value Added Tax Act, 2003 in respect of :		
5.1 Input Tax Credit	257	94
5.2 VAT with RIPS incentive on exports.	-	363
5.3 Incentive Benefit	-	14
6 Disputes on various tolls for which company is contingently liable.	243	243
(II) Commitments:		
(a) Estimated amount of contracts (Net of advances) remaining to be executed on capital and not provided for.	2,471	1,605

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(₹ in Lakhs)

Particulars	2020-21	2019-20
(b) In respect of Capital goods imported at the concessional rate of duty under the Export Promotion Capital goods scheme, the company has approximate exports obligations which is required to be met at the different due dates before 31 st March, 2026. In the event of non-fulfillment of these export obligation, the company will be liable to pay customs duties and penalties, as applicable.	351	2,318

40. SEGMENT INFORMATION

Operating Segment

Based on the management approach as defined in IND AS 108 – Operating Segments, the Chief Operating Decision Maker ("CODM") evaluates the company's performance and allocates resources based on an analysis of various indicators of business segment/s in which the company operates. The Company is primarily engaged in the business of textile manufacturing which the management and CODM recognise as the sole business segment. Hence disclosure of segment-wise information is not required and accordingly not provided.

The other applicable information applicable where there is only one segment as required in accordance with IND AS 108 – Operating Segments, are as under:

- (a) The company does not have the information in respect of the revenues from external customers for each product and service, or each group of similar products and services, and the cost to develop such system will be highly excessive. Accordingly such information is not disclosed as allowed by para 32 of IND AS 108.

(b) Revenues

(₹ in Lakhs)

Particulars	2020-21	2019-20
Domestic	93,607	132,031
Export	42,290	46,980
TOTAL	135,897	179,011

Revenues from external customers attributed to an individual foreign country are not material. The revenue from the foreign countries are attributed from the countries wherein the actual exports are made.

There are no assets in foreign countries held by the Company except the amounts due from the exports.

- (c) The company does not have any major single customers / group of external customer having 10% of its revenue.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

41. EMPLOYEE BENEFITS

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

Particulars	For the year ended	
	31 st March, 2021	31 st March, 2020
Contribution to government Provident Fund	677	866

(₹ in Lakhs)

(ii) Defined Benefit Plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liability is being contributed to the gratuity fund formed by the company. Company makes contributions to Group Gratuity Schemes administrated by the LIC of India.

Other long term employee benefit plans

Compensated absences

Every employee is entitled to paid leave as per the company's policies. The employees are allowed to avail leave and carry forward a specified number of days, the same is encashable during the service period and at the time of separation from the company or retirement, whichever is earlier.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31st March, 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

- A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	Gratuity (Funded)		Leave encashment	
	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020
Net defined benefit (liability) / asset	1,574.22	1,521.83	122.15	230.35
Non-current	-	-	-	-
Current	1,574.22	1,521.83	122.15	230.35

(₹ in Lakhs)

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars		Gratuity (Funded)				Leave Encashment (Funded)			
		31 st March, 2021		31 st March, 2020		31 st March, 2021		31 st March, 2020	
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April	2,205.12	683.29	1,521.83	1,809.81	708.66	1,101.15	531.38	301.03	230.35
Included in profit or loss									
Current service cost	486.87	-	486.87	416.64	-	416.64	215.36	-	215.36
Interest cost (income)	138.71	-	138.71	132.43	-	132.43	33.93	-	33.93
Total	625.58	-	625.58	549.07	-	549.07	249.29	-	249.29
Included in OCI									
Remeasurements loss (gain)	-	-	-	-	-	-	-	-	-
- Actuarial loss (gain) arising from:	-	-	-	-	-	-	-	-	-
- demographic assumptions	-	-	-	-	-	-	-	-	-
- financial assumptions	2.29	-	2.29	189.73	-	189.73	0.46	-	0.46
- experience adjustment	(408.22)	-	(408.22)	(190.81)	-	(190.81)	(273.54)	-	(273.54)
- on plan assets	-	(5.46)	5.46	-	(1.64)	1.64	-	(0.64)	0.64
Total	(405.93)	(5.46)	(400.47)	(1.08)	(1.64)	0.56	(273.08)	(0.64)	(272.44)
Other									
Contributions paid by the employer	-	132.98	(132.98)	-	77.67	(77.67)	-	64.58	(64.58)
Benefits paid	(330.60)	(330.60)	-	(152.68)	(152.68)	-	(64.58)	(64.58)	-
Expected Return on Plan Assets	-	39.74	(39.74)	-	51.28	(51.28)	-	20.47	(20.47)
Total	(330.60)	(157.88)	(172.72)	(152.68)	(23.73)	(128.95)	(64.58)	20.47	(85.05)
Balance as at 31st March	2,094.17	519.95	1,574.22	2,205.12	683.29	1,521.83	443.01	320.86	122.15



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

C. Plan assets

Particulars	31 st March, 2021	31 st March, 2020
Fund managed by insurer	100%	100%
	100%	100%

D. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	31 st March, 2021	31 st March, 2020
Discount rate	6.79%	6.80%
Expected rate of future salary increase	5.50%	5.50%
Mortality	100% of IALM (2006 - 08) Ult.	

Assumptions regarding future mortality have been based on published statistics and mortality tables.

E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in Lakhs)

Particulars	Gratuity				Leave Encashment			
	31 st March, 2021		31 st March, 2020		31 st March, 2021		31 st March, 2020	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	1,885.31	2,346.95	1,982.48	2,474.64	401.42	493.64	481.93	591.27
Expected rate of future salary increase (1% movement)	2,345.19	1,883.30	2,472.78	1,980.31	493.25	401.06	590.82	481.48

Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

F. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

- Salary Increases-** Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- Investment Risk –** If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- Discount Rate:** Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability –** Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Withdrawals –** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

G. Expected maturity analysis of the undiscounted gratuity benefits is as follows

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Duration of defined benefit payments		
Less than 1 year	123.59	162.07
Between 1-2 years	262.29	63.80
Between 2-5 years	286.16	484.16
Over 5 years	727.56	767.89
Total	1,399.60	1,477.92

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 17.91 to 18.49 years (31st March, 2020 : 18.67 to 18.90 years)

42. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

I. Fair value measurements Hierarchy

(₹ in Lakhs)

Particulars	As at 31 st March, 2021				As at 31 st March, 2020			
	Carrying Amount	Level 1	Level 2	Level 3	Carrying Amount	Level 1	Level 2	Level 3
Financial Assets								
At Amortised Cost								
Investments	4	-	-	-	585	-	-	-
Other Non-Current Financial Assets	989	-	-	-	950	-	-	-
Trade Receivables	28,001	-	-	-	29,155	-	-	-
Cash and Cash Equivalents	19	-	-	-	835	-	-	-
Bank Balances other than above	991	-	-	-	530	-	-	-
Other Current Financial Assets	5,521	-	-	-	4,952	-	-	-
Total	35,525	-	-	-	37,007	-	-	-
Financial Liabilities								
At Amortised Cost								
Borrowings	20,437	-	-	-	24,228	-	-	-
Short Term Borrowings	30,946	-	-	-	35,899	-	-	-
Trade Payables	11,608	-	-	-	11,466	-	-	-
Other Current Financial Liabilities	14,862	-	-	-	11,079	-	-	-
At Fair Value through P&L								
Other Current Financial Liabilities	112	-	112	-	344	-	344	-
At Fair Value through OCI								
Other Current Financial Liabilities	39	-	39	-	323	-	323	-
Total	78,004	-	151	-	83,339	-	667	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of properly defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank references.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The gross carrying amount of trade receivables is ₹ 28284 Lakhs (31st March, 2020 – ₹ 29436 Lakhs).

A default on a financial asset is when counterparty fails to make payments within 60 days when they fall due.

Reconciliation of Loss Allowance Provision – Trade Receivables

Particulars	31 st March, 2021	31 st March, 2020
Opening Balances	281	267
Impairment Loss Recognised	863	30
Amount written back	861	16
Closing balance	283	281

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the cash flows generated from operations to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position comprising the undrawn borrowing facilities and cash and cash equivalents on the basis of expected cash flows. This is generally carried out in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(a) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Particulars	Carrying Amounts		Contractual cash flows		
	31 st March, 2021	Total	Within 1 Year	1–5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings	20,437	20,437	-	19,689	748
Short term borrowings	30,946	30,946	30,946	-	-
Trade payables	11,608	11,608	11,608	-	-
Other current financial liabilities	15,013	15,013	15,013	-	-
Total non-derivative liabilities	78,004	78,004	57,567	19,689	748
Derivatives (net settled)					
Foreign exchange forward contracts	151	151	151	-	-
Total derivative liabilities	151	151	151	-	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

(₹ in Lakhs)

Particulars	Carrying Amounts		Contractual cash flows		
	31 st March, 2020	Total	Within 1 Year	1–5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings	24,228	24,228	-	22,363	1,865
Short term borrowings	35,899	35,899	35,899	-	-
Trade payables	11,466	11,466	11,466	-	-
Other current financial liabilities	11,746	11,746	11,746	-	-
Total non-derivative liabilities	83,339	83,339	59,111	22,363	1,865
Derivatives (net settled)					
Foreign exchange forward contracts	667	667	667	-	-
Total derivative liabilities	667	667	667	-	-

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company uses derivatives like forward contracts to manage market risks on account of foreign exchange. All such transactions are carried out within the guidelines set by the Risk Management Committee.

Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EURO. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency. The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows (Amounts in Lakhs)

(₹ in Lakhs)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	USD	EUR	USD	EUR
Financial Instruments				
Trade receivables	111	(2)	87	(2)
Trade payables	-	(4)	(7)	-
Borrowings	(88)	(7)	(90)	-
Derivatives - Forward Contracts	(270)	-	(96)	-
Net statement of financial position exposure	(247)	(13)	(106)	(2)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the ₹ against all currencies at 31st March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit or loss	
	Strengthening	Weakening
31st March, 2021		
USD (1% movement)	(180)	180
EUR (1% movement)	(12)	12
31st March, 2020		
USD (1% movement)	(80)	80
EUR (1% movement)	(1)	1

Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	Nominal Amount	
	31 st March, 2021	31 st March, 2020
Fixed-rate instruments		
Financial assets	600	-
Financial liabilities	657	2,668
Total	1,257	2,668
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	27,348	26,210
Total	27,348	26,210

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss	
	100 bp increase	100 bp decrease
31st March, 2021		
Variable-rate instruments	(273)	273
Cash flow sensitivity	(273)	273
31st March, 2020		
Variable-rate instruments	(262)	262
Cash flow sensitivity	(262)	262



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Hedge Accounting

The company's business objective includes safe-guarding its earnings against foreign exchange fluctuations. The Company has adopted a structured risk management policy to hedge all these risks within an acceptable risk limit and an approved hedge accounting framework which allows for Fair Value hedges and Cash Flow hedges. Hedging instruments include forwards contracts to achieve this objective. The table below shows the position of hedging instruments and hedged items as on the balance sheet date.

Disclosure of effect of Hedge Accounting:

(i) Fair Value Hedge

Hedging Instruments

(₹ in Lakhs)

Particulars	Nominal Value	Carrying Amount	Change in Fair Value	Hedge Maturity	Line Item in Balance Sheet
Foreign Currency Risk					
Forward Contracts	8,595	112	112	April, 2021 to February, 2022	Other Current Financial Liabilities

Hedged Items

(₹ in Lakhs)

Particulars	Carrying Amount	Change in Fair Value	Line Item in Balance Sheet
Foreign Currency Risk			
Trade Receivables	8,123	138	Financial Assets - Trade Receivables

(ii) Cash Flow Hedge

During the year ended 31st March, 2021, the Company has designated certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedge reserve as at 31st March, 2021 are expected to occur and reclassified to Statement of Profit and Loss within three months.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of its forecasted cash flows. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in the Statement of Profit and Loss at the time of the hedge relationship rebalancing.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Cash Flow Hedge

Hedging Instruments

(₹ in Lakhs)

Particulars	Nominal Value	Carrying Amount	Change in Fair Value	Hedge Maturity	Line Item in Balance Sheet
Foreign Currency Risk					
Forward Contracts	11,131	39	39	April, 2021 to February, 2022	Other Current Financial Liabilities

Hedged Items

(₹ in Lakhs)

Particulars	Carrying Amount	Change in Fair Value	Line Item in Balance Sheet
Foreign Currency Risk			
Highly Probable Forecasted Exports	11,131	-	-

The reconciliation of cash flow hedge reserve for the years ended 31st March, 2021 and 31st March, 2020 is as follows:

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Gain / (Loss)		
Balance at the beginning of the year	(323)	-
Gain / (Loss) recognized in other comprehensive income during the year	361	(323)
Amount reclassified to profit and loss during the year	-	-
Balance at the end of the year	38	(323)

43. GENERAL INFORMATION:

- The Consolidated Financial Statements present the Consolidated Accounts of Sangam (India) Limited with its Subsidiary Company:

Name	Country of Incorporation	Proportion of Ownership of Interest	
		31 st March, 2021	31 st March, 2020
Sangam Lifestyle Ventures Limited	India	100%	100%



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

2 Disclosures mandated by Schedule III of the Companies Act 2013, by way of additional information:

Name of the Entities	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit / (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	Amount (₹ in Lakhs)	As a % of Consolidated Profit	Amount (₹ in Lakhs)	As a % of Consolidated Other Comprehensive Income	Amount (₹ in Lakhs)	As a % of Consolidated Total Comprehensive Income	Amount (₹ in Lakhs)
Parent : Sangam India Limited	101.32%	55962	127.79%	538	99.80%	494	112.66%	1032
Subsidiary : Sangam Lifestyle Ventures Limited	-1.20%	(663)	-17.10%	(72)	0.20%	1	-7.75%	(71)
Sub Total		55299		466		495		961
Inter - Company Elimination & Consolidation Adjustments	-0.12%	(65)	-10.69%	(45)	0.00%	-	-4.91%	(45)
Grand Total	100.00%	55234	100.00%	421	100.00%	495	100.00%	916

3 Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understand the consolidated position of the Companies. Recognising this purpose, the company has disclosed only such Policies and Notes from the individual financial statements, which fairly present the needed disclosures.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY AS PER COMPANIES ACT, 2013

(₹ in Lakhs)

Sr. No.	Name of Subsidiary Company	Sangam Lifestyle Ventures Limited
1	The date since which Subsidiary was incorporated and acquired	14.06.2016
2	Reporting Currency	INR
3	Equity Share Capital	5
4	Other Equity	(668)
5	Total Assets	1152
6	Total Liabilities	1815
7	Investments	-
8	Revenue from Operations / Total Income	1046
9	Profit Before Taxation	(100)
10	Provision for Taxation	(28)
11	Profit After Taxation	(72)
12	Other Comprehensive Income	1
13	Total Comprehensive Income	(71)
14	% of Shareholding	100%

44. CORPORATE SOCIAL RESPONSIBILITIES (CSR)

(₹ in Lakhs)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
a) The Gross amount required to be spent by the company during the year	40	64
b) The Details of the amount spent during the year on CSR activities as follow.		

(₹ in Lakhs)

Particulars	Expenditure incurred in Cash	
	31 st March, 2021	31 st March, 2020
Construction / acquisition of any asset	-	-
On purpose other than (i) above	97	265
TOTAL	97	265

- c) Out of above ₹ 7 Lakhs (Previous Year ₹ 160 Lakhs) has been spent through M/s Badri Lal Soni Charitable Trust and ₹ 56 Lakhs (Previous year ₹ 86 Lakhs) has been spent through M/s Kesar Bai Soni Charitable Trust, which are related parties.

Breakup of the expenditure incurred through the trust during the year is as under:

(₹ in Lakhs)

Particulars	Expenditure incurred in Cash	
	31 st March, 2021	31 st March, 2020
Environmental Sustainability	7	50
Promoting Education	-	107
Promoting Health Care	45	75
Eradication Hunger, Poverty and Malnutrition	11	14
Promoting Sports	-	-
TOTAL	63	246

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

- 45.** The Covid 19 pandemic had its impact on the global economic environment including in India, causing significant disruption in economic activities and the textile industry where the Company is operating had been adversely impacted in the first half of FY 2020-21 due to the pandemic. With the gradual relaxation in the second half, economic activities had improved. However, the second wave of Covid 19 emerging in India in the Month of April-May 2021 may have an impact on the industry and Company. The Company is of the view that the vaccination programme of Governments, will minimise the impact on the economic activities.

The Company closely monitors the recent developments and effect of present pandemic over the business. The company believes that this pandemic is not likely to have material impact on the carrying value of its assets and hence no provision for any Impairment is required. As the situation unfolds in the future, the eventual impact may be different from the estimates made as on the date of approval of these Consolidated Financial Statements.

- 46.** The Board of Directors of the Sangam India Limited (SIL) and Sangam lifestyle Ventures Limited (SLVL) has approved the Scheme of Amalgamation of SLVL with SIL on dated 14th September, 2020 and 12th September, 2020 respectively, appointed date being 1st April, 2020. As per order dated 1st April, 2021, the Hon'ble National Company Law Tribunal ("NCLT"), Jaipur Bench, the NCLT convened Meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors of Sangam (India) Limited are scheduled to be held on Saturday, the 22nd May, 2021 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") for approve the scheme of Merger. Accounting effect of the merger will be given once Scheme is approved by the NCLT.

47. STANDARD ISSUED BUT NOT EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2021.

48. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

- 49.** Sangam Lifestyle Ventures Limited (Subsidiary Company) of Sangam (India) Limited has accumulated losses resulting in complete erosion of net worth and has incurred net losses in the current and immediate preceding financial year. The Subsidiary Company is incurring operating losses since commencement of business operation but financial statements of the Subsidiary Company are prepared on going concern basis on the fact that the Subsidiary Company is presently fully funded by the Holding Company and Holding Company is committed to infuse additional funds and to provide reasonable credit lines to the Subsidiary Company.

50. APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved for issue by the Board of Directors on 5th May, 2021

The Board of Directors have recommended a dividend @10 % on equity share, subject to approval from the shareholders at the ensuing AGM.

As per our Report of even date

For and on the Behalf of the Board

FOR RAJENDRA & CO.

Chartered Accountants
(Firm Registration No. 108355W)

(AKSHAY R. SHAH)

Partner
Membership No.103316

Place: Mumbai
Date: 5th May, 2021

FOR O. P. DAD & CO.

Chartered Accountants
(Firm Registration No. 002330C)

(O. P. DAD)

Partner
Membership No. 035373

Place : Bhilwara
Date: 5th May, 2021

(R.P. SONI)

Chairman
(DIN 00401439)

(S. N. MODANI)

Managing Director & CEO
(DIN 00401498)

(ANURAG SONI)

Chief Financial Officer &
Whole-time Director
(DIN 03407094)

(V. K. SODANI)

Executive Director
(DIN 00403740)

(A. K. JAIN)

Company Secretary
(M No: F-7842)

CORPORATE INFORMATION



AUDITORS

Rajendra & Co. Mumbai
O.P. Dad & Co. Bhilwara

BANKERS

State Bank of India
Punjab National Bank
IDBI Bank Ltd.
Central Bank of India
Export-Import Bank of India

REGISTERED OFFICE

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e-mail: secretarial@sangamgroup.com

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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 – 311001, Rajasthan

Spinning Unit-II

91, Km Stone, N.H No. 79, Village Sareri,
Bhilwara – 311024, Rajasthan

Spinning Unit-III

N.H. 79, Village Soniyana,
Tehsil: Gangrar – 312901, Chittorgarh

Weaving, Processing & Seamless Garment Unit

Village ATUN, Chittorgarh Road,
BHILWARA – 311001, Rajasthan

Denim Unit

Village Biliya Kalan, Chittorgarh Road,
Bhilwara – 311001, Rajasthan





Value through values

www.sangamgroup.com

If undelivered, please return to:
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Post Box No. 90, Atun, Chittorgarh Road
Bhilwara - 311001, Rajasthan, India