SANGAM VENTURES LIMITED

ANNUAL REPORT

FOR

YEAR ENDED 31st MARCH 2025

SANGAM VENTURES LTD.

(Wholly owned Subsidiary of Sangam (India) Limited)
CIN: U17299RJ2021PLC078482
Regd. Office: Atun, Chittorgarh Road, Bhilwara-311001 (Raj.) Ph.: +91 1482 245400
Email: secretarial@sangamgroup.com

DIRECTOR'S REPORT

To
The Members,

Your Directors have pleasure in presenting the Director's Report of the Company together with Audited Financial Statements and the Auditor's Report of the Company for the Financial Year ended 31st March, 2025.

FINANCIAL RESULTS

(₹ in lakhs)

Financial Results	**31st March, 2025**	**31st March, 2024**
Revenue from operations (net)	7,243.62	4,632.82
Profit/(Loss) before exceptional and extraordinary item	540.81	48.03
Profit / (Loss) before Tax	540.81	48.03
Tax expenses		
Current Tax	-	-
Mat Credit Entitlement	-	-
Deferred Tax	106.32	(238.03)
Profit/ (Loss) after tax	434.49	286.06

OPERATIONAL RESULTS AND STATE OF AFFAIRS

For the financial year 2024-25, the Company has recorded a revenue from operations of ₹ 7,243.62 Lakhs, which represents a growth of 56.35% from ₹ 4,632.82 Lakhs in the previous financial year.

The Net Profit after tax of the Company is ₹ 434.49 Lakhs in the current financial year as against ₹286.06 Lakhs in previous financial year, having a rise by ₹ 148.43 Lakhs.

Your directors are hopeful for the bright future of the company in the years to come.

DIVIDEND

The Company has not declared any dividend for the period under review.

TRANSFER TO RESERVE

The Board of Directors of the Company has not proposed to transfer any amount to General Reserve of the Company for the current financial year.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the general public within the meaning of Section 73 to 76 of the Companies Act, 2013 and rules made thereunder.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no material changes and commitments which can affect the financial position of the Company which have occurred between the end of the financial year of the company to which the financial statements relates and the date of the report.

CORPORATE SOCIAL RESPONSIBILITY

The provision of Section 135 of the Companies Act, 2013 is not applicable to the Company during the year under review.

CONVERSATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The provision of section 134(m) of the Companies Act, 2013, is not applicable to the Company. There was no foreign exchange inflow or outflow during the year under review.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

The Board of Directors consists of 3 (Three) members. In terms of the provisions of the Companies Act, 2013 Shri Anurag Soni (DIN 03407094), 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 Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

The key Managerial Personnel ("KMP") of the company as of the reporting date are:

- **Mr. V.K. Sodani** - Managing Director
- **Mr. S. R. Dakhera** - Chief Financial Officer
- **Mr. Nikhilesh Rajpurohit** - Company Secretary

CONTRACT AND ARRANGEMENTS WITH RELATED PARTIES

All contract/arrangements/transactions entered by the company during the financial year 2024-25 with related parties were on an arm's length basis, in the ordinary course of business and were in compliance with the provision of sub-section (1) of section 188 of the Companies Act, 2013. There are no materially significant Related Party Transactions made by the Company during the period.

REPORTING OF FRAUDS BY AUDITORS

In accordance with the provisions of Section 143(12) of the Companies Act, 2013, it is hereby confirmed that during the financial year under review, no instance of fraud has been reported by the Statutory Auditors of the Company to the Board of Directors.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, AND GUARANTEES GIVEN

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013, during the year under review.

INTERNAL FINANCIAL CONTROL

The company has a proper and adequate system of internal control commensurate with the size and nature of its business. Internal control systems are integral to company's corporate governance framework. Some significant features of internal control systems are:-

1. Adequate documentation of policies, guidelines, authorities and approval procedures covering all important functions of the Company.
2. Proper enterprise resource planning system which covers most of its operations and is supported by a defined authorization protocol.
3. Ensuring complete compliance with laws, regulation, standards and internal procedures and systems.
4. De-risking the company's assets/resources and protecting them from any losses.
5. Ensuring the integrity of the accounting system; proper and authorized recording and reporting of all transactions.
6. Preparation and monitoring of annual budget for all operating and service functions.
7. Ensuring reliability of all financial and operational information.

The internal control systems and procedures are designed to assist in the identification and management of risks, the procedure-led verification of all compliance as well as an enhanced control consciousness.

AUDITORS & AUDITOR'S REPORT

In accordance of the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014, M/s O.P. Dad & Co., Chartered Accountant (FRN: 002330C) was appointed as the Statutory Auditors of the company for a period of five years to hold the office from the conclusion of the 1st Annual General Meeting of the Company held on 28th September, 2022 till the conclusion of 6th Annual General Meeting to be held in the year 2027.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

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NUMBER OF MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss business plan and strategies. During the year, Four Board Meetings were held. The details of Board Meetings are given below:

Date of Meeting	Board Strength	No. of Directors present
09th May, 2024	3	3
11th August, 2024	3	3
24th October, 2024	3	3
11th February, 2025	3	3

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

There was no case filled during the year, under the sexual harassment of women at workplace (Prevention, Prohibition & Redresser) Act, 2013.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Board of Directors hereby confirms and states that:

a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) The Directors had 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, 2025 and of the Profit and loss of the company for the year ended on 31st March, 2025;

c) The Directors had 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;

d) The Directors had prepared the annual accounts of the Company for the year ended on 31st March, 2025 on a going concern basis; and

e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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ANNUAL RETURN

The Company has complied with the provisions of Section 92(3) of the Act, read with the Companies (Management & Administration) Rules, 2014 during the year under review.

ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the assistance and co-operation received from the banks, government authorities, financial institutions, 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.

For and on behalf of the Board of Directors
Sangam Ventures Limited

SANGAM VENTURES LIMITED

Sodani

(V.K. Sodani)
Managing Director
DIN: 00403740

Place: Bhilwara
Date: 27th May, 2025

Annexure – 1

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 subsection (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

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

S. No.	Particulars	Details
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

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

S. No.	Particulars	Details	Details
a)	Name(s) of the related party and nature of relationship	Sangam (India) Ltd. (Holding Company)	Sangam (India) Ltd. (Holding Company)
b)	Nature of contracts/arrangements/transactions	Purchase of Material/ Services	Sale of goods
c)	Duration of contracts/arrangements/transactions	Ongoing	Ongoing
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	1,239.11 Lakhs	4,658.81 Lakhs
e)	Date(s) of approval by the Board	-	-
f)	Amount paid as advances, if any	NIL	NIL

For and on behalf of the Board of Directors
Sangam Ventures Limited

Sodani

(V.K. Sodani)
Managing Director
DIN: 00403740

Place:- Bhilwara
Date:- 27th May, 2025

O. P. DAD & CO.
CHARTERED ACCOUNTANTS
PLOT NO. 49, MTM COLONY,
OPPOSITE AJMER OVERBRIDGE,
BHILWARA-311 001 (RAJASTHAN)

Independent Auditor's Report

To,
The Members of
SANGAM VENTURES LIMITED
BHILWARA

Report on the Financial Statements

We have audited the accompanying financial statements of **SANGAM VENTURES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flow for the period ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and profit/loss, and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for the financial year ended 31st March, 2025. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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 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 Financial Statements

We have determined that there are no key audit matters to communicate in our report

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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

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

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

Responsibilities of Management's and Those Charged with Governance for the 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 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 read with Rule 7 of the Companies (Accounts) Rules, 2015. 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 and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

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

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

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal financial controls 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

O.P. DAD & CO. BHILWARA CHARTERED ACCOUNTANTS 002330C the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance 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.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

(2) As required by section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The balance sheet, the statement of profit and loss, 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015, as amended, to the extent applicable.

(e) On the basis of the written representations received from the directors as on 31 March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 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 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 the impact, if any, of pending litigations on its financial position in its financial statement in the contingent liability section to the extent it is ascertainable in the opinion of management;

DADA & CO. 002330C CHARTERED ACCOUNTANTS

(ii) as per the information provided to us by the management, the company has not entered in to long term contract including derivative contracts for which provisioning is required;

(iii) (a) The management has represented that to the best of its knowledge and belief, other than those disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (Either from borrowed funds, share capital or any other source or kind of funds) by the company to or in any other person(s) or entity(s), including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

(b) The management has represented that to the best of its knowledge and belief, other than those disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.

(c) Based on the audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the above representations given by the management under paragraph (2) (g) (iii) (a) and (b) above contain any material misstatement.

(iv) There is no requirement of transfer of amount in Investor Education & Protection fund. (IEPF).

(h) Based on our examination which included test checks, the company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the said software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

(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.

FOR: O. P. DAD & COMPANY
CHARTERED ACCOUNTANTS

O. P. DAD & CO. BHILWARA FRN 002330C CHARTERED ACCOUNTANTS

[ABHISHEK DAD]
PARTNER
M.NO. 409237
UDIN-25409237BMOVNQ3517

PLACE : BHILWARA
DATED: 27.05.2025

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS OF SANGAM VENTURE LIMITED

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment 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 and appropriately dealt with in the books of accounts

(c) The title deeds of all the immovable properties (Other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.

(e) There are no proceedings have been initiated and are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, the coverage and procedure for such verification is acceptable and at par with Industry standards. On the basis of information & explanations given to us, No discrepancies of 10% or more in the aggregate or in any class of inventory was noticed by management during such physical verification of stocks as compared to book records.

(b) During any point of time of the year, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The management has informed that the Quarterly statements submitted to the bank are provisional in nature. The Quarterly returns or Statement furnished to the bank are broadly in reconciliation with books of accounts subject to few differences on account of valuation methodology, Wastages, dead stock, reconciliation differences on account of multiple stages of production, stock kept at third party premises, as per explanation of management in the schedule "Short term borrowings.

(iii) According to the information & explanations given to us and on the basis of our examination of the books of account, the Company has neither granted any loans, secured or unsecured, to companies, firms, LLP or any other parties during the year, nor made any investment during the year, hence information as regards to this clause is either Nil or Not Applicable.

O.P. DAD & CO. BHILWARA FRN 002330C CHARTERED ACCOUNTANTS

(iv) According to the information & explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans or provide any guarantees or securities to parties covered under Section 185 of the Act and complied with the provisions of section 185 and 186 of the companies act.

(v) The The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has prescribed maintenance of the cost records under 148(1) of the Companies Act, 2013 in respect to the company's products. We have broadly reviewed the books of accounts and records maintained by the company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (A) According to the records of the Company, undisputed statutory dues including GST, Provident Fund, Employees State Insurance, Income Tax, Sales tax, Service tax, Custom Duty, Cess and other statutory dues have been regularly deposited with the appropriate authorities. Accordingly to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as on last day of the financial year for a period of more than six months from the date they have become payable.

(B) According to the information & explanations given to us and the records examined by us, there is no amount which have not been deposited on account of any disputed amount payable in respect of income tax, service tax, customs duty, GST and cess.

(viii) According to the information and explanations given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) a. The Company has not defaulted in repayment of loans and other borrowings and interest due thereon to any lender.

b. The Company is a not declared wilful defaulter by any bank or financial institution or government or any government authority.

c. Term loans raised during the year have been applied for the purpose for which those loans were raised.

d. On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

e. On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f. The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (A) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year under review and hence, reporting requirements under clause (a) (x) of paragraph 3 of the Order are not applicable to the Company.

O.P. DAD & CO. BHILWARA FRN 002330C CHARTERED ACCOUNTANTS

(B) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

(xi) a. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

b. During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c. In our opinion, to the best of our knowledge and according to the information and explanations given to us, the Company has not received any whistle blower complaints during the year.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) (a), (b) and (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) Internal Audit is not applicable to company. So paragraph 3(xiv) is not applicable to company.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) a. The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.

b. The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

c. The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) (c) of the Order is not applicable to the Company.

d. As represented by the management, the Group does not have any Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016.

(xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any

BHILWARA FRN 002330C CHARTERED ACCOUNTANTS assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

XX CSR provisions as per section 135 are not applicable to companies, so paragraph 3(XX) is not applicable to company.

XXI the Company is not required to prepare consolidated financial statements. Hence, clause 3(Xxi) is not applicable.

FOR: O. P. DAD & COMPANY
CHARTERED ACCOUNTANTS

[ABHISHEK DAD]
PARTNER
M.NO. 409237
UDIN-25409237BMOVNQ3517

PLACE : BHILWARA
DATED: 27.05.2025

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SANGAM VENTURES LIMITED

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

We have audited the internal financial controls over financial reporting of **SANGAM VENTURES LIMITED** ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

O.P. DAD & CO. BHILWARA FRN 002330C CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, 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: O. P. DAD & COMPANY
CHARTERED ACCOUNTANTS

O. P. DAD & CO. BHILWARA FRN 002330C CHARTERED ACCOUNTANTS

[ABHISHEK DAD]
PARTNER
M.NO. 409237
UDIN-25409237BMOVNQ3517

PLACE : BHILWARA
DATED: 27.05.2025

SANGAM VENTURES LIMITED

Balance Sheet as at 31st March 2025

(₹ in Lakhs)

Particulars	Note	As at 31st March 2025	As at 31st March 2024
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	3	8,424.46	8,723.51
Right of Use Assets	4	31.67	36.04
Capital Work-in-Progress	5	194.15	396.38
Intangible Assets	6	3.32	5.11
Financial Assets			
(i) Investments		-	-
(ii) Other Financial Assets	7	37.88	16.56
Other Non Current Assets	8	76.07	98.39
Deferred Tax Assets (Net)	9	-	21.88
TOTAL NON-CURRENT ASSETS		**8,767.55**	**9,297.87**
CURRENT ASSETS			
Inventories	10	1,732.20	1,808.19
Financial Assets			
(i) Trade Receivables	11	610.23	926.01
(ii) Cash and Cash equivalents	12	188.88	3.34
(iii) Bank balances other than (ii) above		20.00	-
(iv) Other Current Financial Assets	13	125.46	226.61
Current Tax Assets (Net)	14	14.43	6.21
Other Current Assets	15	731.15	613.86
TOTAL CURRENT ASSETS		**3,422.35**	**3,584.22**
TOTAL ASSETS		**12,189.90**	**12,882.09**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	1,197.00	1,197.00
Other Equity	17	3,060.70	2,593.54
TOTAL EQUITY		**4,257.70**	**3,790.54**
Liability			
Non-Current Liabilities			
Financial Liabilities			
(i)Borrowings	18	5,500.00	5,799.58
(ii)Lease Liabilities	19	30.30	34.04
(iii)Provisions	20	20.01	21.02
Deferred Tax Liabilities (Net)	21	84.45	-
TOTAL NON-CURRENT LIABILITIES		**5,634.76**	**5,854.64**
Current Liabilities			
Financial Liabilities			
(i) Borrowing	22	1,593.10	290.00
(ii) Lease Liabilities	23	3.74	3.49
(iii) Trade Payables	24		
(A) Total outstanding dues of micro enterprises and small enterprises		100.83	54.24
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		144.16	2,531.98
(iv) Other Financial Liabilities	25	215.18	264.58
Other Current Liabilities	26	183.18	27.26
Provisions	27	57.25	65.36
TOTAL CURRENT LIABILITIES		**2,297.44**	**3,236.91**
TOTAL EQUITY AND LIABILITIES		**12,189.90**	**12,882.09**
Significant accounting policies and notes to financial statements	1 to 51		

As per our report of even date

For: O.P. Dad & Co.
Chartered Accountants
(Firm Registration No. 002330C)

O.P. DAD & CO. BHILWARA FRN 002330C CHARTERED ACCOUNTANTS

(Abhishek Dad)
Partner
Membership No. 409237
UDIN: 25409237BMOVNQ3517

Place: Bhilwara
Date: 27th May, 2025

For and on behalf of the Board

SANGAM VENTURES LIMITED Bhilwara

(V.K.Sodani)
Managing Director
(DIN 00403740)

(Anurag Soni)
Director
(DIN 03407094)

(S. R. Dakhera)
Chief Financial Officer

(Nikhilesh Rajpurohit)
Company Secretary
M. No.: A73106

SANGAM VENTURES LIMITED

Statement of Profit and Loss for the period ended 31st March 2025 (₹ in Lakhs)

Particulars	Note	2024-25	2023-24
INCOME			
Revenue from Operations	28	7,243.62	4,632.82
Other Income	29	6.69	3.08
TOTAL INCOME		**7,250.31**	**4,635.90**
EXPENSES			
Cost of Materials Consumed	30	3,047.65	2,486.08
Purchases of Traded Goods		-	-
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	31	209.43	(809.73)
Employee Benefits Expense	32	1,382.74	1,101.04
Finance Costs	33	271.42	368.70
Depreciation and Amortisation Expense	34	772.49	589.51
Power & Fuel	35	260.64	238.15
Other Expenses	36	765.13	614.12
TOTAL EXPENSES		**6,709.50**	**4,587.87**
Profit/ (Loss) Before Exceptional Items and Tax		**540.81**	**48.03**
Exceptional Items		-	-
Profit/ (Loss) Before Tax		**540.81**	**48.03**
Tax Expenses			
Deferred Tax		106.32	(238.03)
Current Tax		-	-
Profit/ (Loss) for the year		**434.49**	**286.06**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans	37	32.68	(48.53)
Tax relating to remeasurement of defined benefit plans		-	-
Total Other Comprehensive Income for the year		32.68	(48.53)
Total Comprehensive Profit / (Loss) for the year		**467.17**	**237.53**
Earnings per equity share of face value of ₹ 10 each Basic and Diluted (in ₹)	38	3.63	2.39
Significant accounting policies and notes to financial statements	1 to 51		

As per our report of even date

For: O.P. Dad & Co.
Chartered Accountants
(Firm Registration No. 002330C)

(Abhishek Dad)
Partner
Membership No. 409237
UDIN: 25409237BMOVNQ3517

Place: Bhilwara
Date: 27th May, 2025

For and on behalf of the Board

Sodani
(V.K.Sodani)
Managing Director
(DIN 00403740)

(Anurag Soni)
Director
(DIN 03407094)

(S. R. Dakhera)
Chief Financial Officer

Nikhilesh
(Nikhilesh Rajpurohit)
Company Secretary
M. No.: A73106

SANGAM VENTURES LIMITED

Cash Flow Statement for the period ended 31st March 2025 **(₹ in Lakhs)**

		2024-25	2023-24
A	**Cash Flow from Operating Activities**		
	Net Profit/(Loss) Before Tax	**540.82**	**48.02**
	Adjustments for : -		
	Depreciation and Amortisation Expense	772.49	589.51
	Finance Costs	271.42	368.70
	Foreign Exchange Fluctuation Gain/Loss	-	-
	Other Comprehensive Income/ (Loss)	32.68	(48.53)
	Operating Profit/ (Loss) before working capital changes	**1,617.41**	**957.70**
	Movements in Working Capital :-		
	(Increase) / Decrease in Inventories	75.99	(1,373.86)
	(Increase) / Decrease in Trade Receivables	315.78	(879.95)
	(Increase) / Decrease in Other Financial assets	79.84	101.45
	(Increase) / Decrease in Other Assets	(94.98)	(373.39)
	Increase / (Decrease) in Trade Payables	(2,341.22)	2,314.64
	Increase / (Decrease) in Provisions	(9.11)	77.81
	Increase / (Decrease) in Other Liabilities	155.90	17.07
	Cash generated/(used) from/ in Operations	**(200.39)**	**841.47**
	Increase in Tax Assets	8.39	5.27
	Net Cash Inflow/(Out Flow) from Operating Activities	**(208.78)**	**836.20**
B	**Cash Flow from Investing Activities**		
	Purchase of Fixed Assets	(467.12)	(2,359.35)
	Net Decrease/ (Increase) in CWIP	202.22	229.68
	Net Cash Outflow from Investing Activities	**(264.90)**	**(2,129.67)**
C	**Cash Flow from Financing Activities**		
	Increase in Share Capital/ Application Money/ Security Premium	-	-
	Finance Costs	(271.42)	(368.70)
	Proceeds from Long Term Borrowing	1,003.52	4,502.27
	(Decrease)/Increase in Financial Liability	(52.88)	(2,840.99)
	Dividend Paid (Including Tax on Dividend)	-	-
	Net Cash Inflow from Financing Activities	**679.22**	**1,292.58**
	Net Increase/ (Decrease) in Cash & Cash equivalents	205.54	(0.89)
	Cash and Cash Equivalents at the Beginning	3.34	4.23
	Cash and Cash Equivalents at the End	**208.88**	**3.34**

Change in Liability arising from financing activities

Particulars	**As at 31st March,2024**	**Cash Flow**	**Adjustment on account of Regrouping**	**As at 31st March,2025**
Borrowing - Non Current (Refer Note No. 18)	5,800	-	(300)	5,500
Borrowing - Current (Refer Note No. 22)	290	1,003	300	1,593
Total	6,090	1,003	-	7,093

As per our report of even date

For: O.P. Dad & Co.
Chartered Accountants
(Firm Registration No. 002330C)

(Abhishek Dad)
Partner
Membership No. 409237
UDIN: 25409237BMOVNQ3517

Place: Bhilwara
Date: 27th May, 2025

For and on behalf of the Board

(V.K.Sodani)
Managing Director
(DIN 00403740)

(Anurag Soni)
Director
(DIN 03407094)

(S. R. Dakhera)
Chief Financial Officer

(Nikhilesh Rajpurohit)
Company Secretary
M. No.: A73106

SANGAM VENTURES LIMITED
Statement of Changes in Equity for the year ended 31st March, 2025

A Equity Share Capital (₹ in Lakhs)

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the Period	1,19,70,000	1,197	1,19,70,000	1,197
Changes in Equity Share Capital during the period	-	-	-	-
Balance as at 31.03.2025	**1,19,70,000**	**1,197**	**1,19,70,000**	**1,197**

B Other Equity

Particulars	Reserve and Surplus			Total
	Retained Earning	Securities Premium	Corporate Guarantee	
Balance at the beginning of the Period 1st April, 2023	(369.09)	2,725.11	-	2,356.02
Profit/ (Loss) for the year	286.06	-	-	286.06
Other comprehensive income/ (loss) for the year	(48.53)	-	-	(48.53)
Total comprehensive income/ (loss) for the year	237.52	-	-	237.52
Balance as at 31st **March,2024**	**(131.57)**	**2,725.11**	**-**	**2,593.54**
Balance at 1st **April, 2024**	(131.57)	2,725.11	-	2,593.54
Profit/ (Loss) for the year	434.49	-	-	434.49
Other comprehensive income/ (loss) for the year	32.68	-	-	32.68
Total comprehensive income/ (loss) for the year	467.16	-	-	467.16
Issue of Equity Shares	-	-	-	-
Corporate Guarantee from Holding Co.	-	-	-	-
Balance as at 31st **March,2025**	**335.59**	**2,725.11**	**-**	**3,060.70**

The accompanying notes are an integral part of these financial statements

As per our report of even date

For: O.P. Dad & Co.
Chartered Accountants
(Firm Registration No. 002330C)

O.P. DAD & CO. BHILWARA FRN 002330C CHARTERED ACCOUNTANTS

(Abhishek Dad)
Partner
Membership No. 409237
UDIN: 25409237BMOVNQ3517

Place: Bhilwara
Date: 27th May, 2025

For and on behalf of the Board

(V.K.Sodani)
Managing Director
(DIN 00403740)

(Anurag Soni)
Director
(DIN 03407094)

(S. R. Dakhera)
Chief Financial Officer

(Nikhilesh Rajpurohit)
Company Secretary
M. No.: A73106

SANGAM VENTURES LIMITED Bhilwara

SANGAM VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2025

1 GENERAL INFORMATION:

Sangam Ventures Limited ("the Company") is a public limited company domiciled in India and was incorporated on 03rd December 2021. It is 100% subsidiary company of M/s Sangam (India) Limited. 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 of seamless garment.

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 (as amended) as at and for the year ended March 31, 2025.

These financial statements were approved for issue in accordance with the resolution of the Board of Directors as per its meeting held on 27th May 2025.

B Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency.

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

C 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 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.

D 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 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).

O. P. DAD & CO. BHILWARA FRN 002330C CHARTERED ACCOUNTANTS

SANGAM VENTURES LIMITED Bhilwara

- 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.

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, credit terms as decided with respective suppliers and buyers 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. For qualifying assets, borrowing costs are capitalized in accordance with the company's accounting policy.

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

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

O.P. DAD & CO. BHILWARA FRN 002330C CHARTERED ACCOUNTANTS

SANGAM VENTURES LIMITED Bhilwara

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.

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 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.

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 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.

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

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

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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.

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

In the case of an individual asset, at the higher of the net selling price and the value in use; and

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

1 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 except trade receivables.

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 derecognizes 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.

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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.

2 Financial liabilities

(i) Initial recognition and measurement :-

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

(ii) Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

3 Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Offsetting financial instruments

(i) 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.

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 recognized 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.

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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 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.

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 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 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities.

Cash flow from operating activities is reported using indirect method, adjusting the profit before tax excluding exceptional items for the effects of:

(i) Changes during the period in inventories and operating receivables and payables, transactions of a non-cash nature;

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(ii) Non-cash items such as depreciation, provisions, unrealized foreign currency gains and losses; and

(iii) All other items for which the cash effects are investing or financing cash flows. Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

M 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:

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.

N 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.

(a) 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.

i.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.

O 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 require 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.

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P Contingent Assets

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

Q 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.

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.

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

(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

R 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.

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, recognizes 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

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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 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 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 are 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 Standards issued but not effective

The Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2023.

I. Ind AS 107 – Financial Instrument

II. Ind AS 109 – Financial Instrument

III. Ind AS 115 - Revenue from contracts with customers

IV. Ind AS 1 – Presentation of Financial Statements

V. Ind AS 34 – Interim Financial Reporting

Application of above standards is not expected to have any significant impact on the company's financial statements.

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Notes to the financial statements for the year ended 31st March 2025 **(₹ in Lakhs)**

3. PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block				Depreciation				Net Block	
	As at 31st March 2024	Additions	Deletions	As at 31st March 2025	As at 31st March 2024	Additions	Deletions	As at 31st March 2025	As at 31st March 2025	As at 31st March 2024
Tangible Assets										
Freehold Land	519.48	-	-	519.48	-		-	-	519.48	519.48
Building	2,573.00	175.26	6.95	2,741.31	92.24	86.41	-	178.66	2,562.65	2,480.76
Plant and Machinery	5,159.84	234.92	-	5,394.76	490.37	545.52	-	1,035.89	4,358.87	4,669.46
Electric Installation	858.83	7.70	-	866.53	95.02	89.20	-	184.22	682.31	763.81
Water Supply Installation	51.84	1.71	-	53.55	2.09	1.97	-	4.06	49.50	49.75
Furniture and fixtures	200.19	40.36	2.10	238.45	12.04	20.91	0.16	32.79	205.66	188.15
Office equipments	1.90	0.91	-	2.81	0.44	0.37	-	0.81	2.00	1.47
Computers	63.07	14.93	-	78.00	12.44	21.57	-	34.01	43.99	50.63
Total	**9,428.15**	**475.79**	**9.05**	**9,894.89**	**704.64**	**765.95**	**0.16**	**1,470.44**	**8,424.46**	**8,723.51**

4. RIGHT OF USE OF ASSETS **(₹ in Lakhs)**

Particulars	Gross Block				Depreciation				Net Block	
	As at 31st March 2024	Additions	Deletions	As at 31st March 2025	As at 31st March 2024	Additions	Deletions	As at 31st March 2025	As at 31st March 2025	As at 31st March 2024
Building	41.80	-	-	41.80	5.76	4.37	-	10.13	31.67	36.04

5. CAPITAL WORK-IN-PROGRESS **(₹ in Lakhs)**

Balance as at beginning of the period	**626.05**
Additions	2,085.05
Assets Capitalised	2,314.72
Balance as at 31st March, 2024	**396.38**
Additions	33.23
Assets Capitalised	235.46
Balance as at 31st March, 2025	**194.15**

Capital Work-in-Progress Aging

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
As at 31st March, 2025	33.23	160.92	-	-	**194.15**
As at 31st March, 2024	85.20	311.18	-	-	**396.38**

Break up of Pre-Operative Expenses capitalised/deferred for Capitalisation under Capital Work in Progress: **(₹ in Lakhs)**

Particulars	Year Ended 31st March.2025	Year Ended 31st March.2024
Opening Balance	2.12	159.53
Financial Charges	-	-
Direct Costs Attributable to Project	-	225.01
Total Amount	**2.12**	**384.54**
Less: Exp. apportioned to Property, Plant and Equipment	2.12	382.42
Balance yet to be allocated	**0.00**	**2.12**

6. INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As at 31st March 2024	Additions	Deletions	As at 31st March 2025	As at 31st March 2024	Additions	Deletions	As at 31st March 2025	As at 31st March 2025	As at 31st March 2024
Intangible Assets	6.70	0.38	-	7.08	1.60	2.17	-	3.77	3.32	5.11

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Notes on Financial Statements for the period ended 31st March 2025

(₹ in Lakhs)

7 OTHER FINANCIAL ASSETS

	As at 31st March,2025	As at 31st March,2024
Security Deposit	37.88	16.56
TOTAL	**37.88**	**16.56**

8 OTHER NON-CURRENT ASSETS

	As at 31st March,2025	As at 31st March,2024
Prepaid Expenses	76.07	98.39
TOTAL	**76.07**	**98.39**

9 DEFERRED TAX ASSETS (Net)

	As at 31st March,2025	As at 31st March,2024
Deferred Tax Assets		
Related to Gratuity & Leave Encashment	-	14.82
Related to Unabsorbed Depreciation & losses	-	144.83
TOTAL (A)	**-**	**159.65**
Deferred Tax Liability		
Related to fixed assets	-	137.77
TOTAL (B)	**-**	**137.77**
Deferred Tax Assets (Net) (A-B)	**-**	**21.88**

10 INVENTORIES

	As at 31st March,2025	As at 31st March,2024
Raw Materials	554.38	490.91
Stock-in-Process	583.66	752.33
Finished Goods	282.69	323.45
Stores, Spares & Fuel	311.47	241.50
TOTAL	**1,732.20**	**1,808.19**

11 TRADE RECEIVABLES

	As at 31st March,2025	As at 31st March,2024
Trade Receivables considered good - Unsecured	610.23	926.01
Trade Receivables - Credit Impaired	-	-
	610.23	**926.01**
Less: Provision for Trade Receivables	-	-
TOTAL	**610.23**	**926.01**
11.1 Included in above Receivables amount due from Holding Company	40.59	876.30

Trade Receivable ageing schedule

Particulars	Outstanding from due date of payment				
	Not due	< 6 months	6 months -1 year	1-3 year	> 3 year
As at 31st March,2025					
Undisputed Trade Receivables-considered good	**162.69**	**382.84**	**55.07**	**9.63**	**-**
As at 31st March,2024					
Undisputed Trade Receivables-considered good	**225.26**	**700.75**	**-**	**-**	**-**

12 CASH & CASH EQUIVALENTS

	As at 31st March,2025	As at 31st March,2024
Balance with Banks	188.88	3.30
Cash on Hand	-	0.04
TOTAL	**188.88**	**3.34**

13 Bank Balance other than (ii) above

	As at 31st March,2025	As at 31st March,2024
Fixed Deposits with Bank	20.00	-
TOTAL	**20.00**	**-**

13 OTHER CURRENT FINANCIAL ASSETS

	As at 31st March,2025	As at 31st March,2024
Capital Advances	27.64	148.01
GST Refund Receivable	28.45	70.67
Subsidy Receivable	65.42	-
Advance to Employees	1.12	7.93
Interest Receivable	2.83	-
TOTAL	**125.46**	**226.61**

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Notes on Financial Statements for the period ended 31st March 2025

(₹ in Lakhs)

14	CURRENT TAX ASSETS (NET)	As at 31st March,2025	As at 31st March,2024
	Advance tax & TDS/TCS Refund Recivable (Net)	14.43	6.21
	TOTAL	**14.43**	**6.21**

15	OTHER CURRENT ASSETS	As at 31st March,2025	As at 31st March,2024
	Advance against Supplies	78.17	30.28
	Advance to Employees (For Expenses)	(0.37)	-
	Balances with Revenue Authority(GST)	622.96	568.89
	Prepaid Expenses	30.39	14.69
	TOTAL	**731.15**	**613.86**

16	EQUITY SHARE CAPITAL	As at 31st March,2025	As at 31st March,2024
	Authorised Share Capital:		
	2,50,00,000 Equity share (Previous Year 2,50,00,000) of ₹ 10 each	2,500.00	2,500.00
		2,500.00	**2,500.00**
	Issued, Subscribed and Paid Up:		
	1,19,70,000 Equity share (Previous Year 1,19,70,000) of ₹ 10 each fully paid up	1,197.00	1,197.00
	TOTAL	**1,197.00**	**1,197.00**

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 :

Balance at the beginning of the year	1,19,70,000	1,19,70,000
Add: Shares Issued During the year (Nos.)	-	-
Balance at the end of the year	**1,19,70,000**	**1,19,70,000**

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

Name of the Shareholder	Percentage of Holding	No. of Shares	No. of Shares
1. Sangam (India) Limited	-100%	1,19,70,000	1,19,70,000
TOTAL		**1,19,70,000**	**1,19,70,000**

d. Detail of shares held by Promoter and Promoters Group:

Name of the Shareholder	Percentage of Holding	No. of Shares	No. of Shares
1. Sangam (India) Limited	100%	1,19,70,000	1,19,70,000
TOTAL		**1,19,70,000**	**1,19,70,000**

17	OTHER EQUITY	As at 31st March,2025	As at 31st March,2024
	Securities Premium		
	Balance at the beginning of the year	2,725.11	2,725.11
	Addition during the year	-	-
	Balance at the end of the year	**2,725.11**	**2,725.11**
	Retained Earnings		
	Balance at the beginning of the year	(83.17)	(369.23)
	Add: Profit/ (Loss) for the year	434.49	286.06
	Less: Appropriations	-	-
	Transferred to General Reserve	-	-
	Balance at the end of the year	**351.31**	**(83.17)**
	Other Comprehensive Income		
	Balance at the beginning of the year	(48.40)	0.13
	Addition during the year	32.68	(48.53)
	Balance at the end of the year	**(15.72)**	**(48.40)**
	Corporate Guarantee from Holding Co.	-	-
	TOTAL	**3,060.70**	**2,593.54**

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Nature and Purpose of Other Reserves/ Other Equity

17.1 **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.

17.2 **Remeasurement of defined benefit plans**

Remeasurements of defined benefit plans represents the following as per Ind AS19, Employee Benefits:

(a) Acturial 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)

18 BORROWINGS	As at 31st March,2025	As at 31st March,2024
Secured		
Term Loans From Banks		
Rupee Loans	5,500.00	5,799.58
TOTAL	**5,500.00**	**5,799.58**

18.1 Term Loan from Bank is secured by a equitable mortgage by deposit of title deeds in respect of all immovable properties and hypothecation of the entire moveable properties of the company, both present and future. The above Term Loan is further secured by personal guarantee of Shri Anurag Soni Director of Sangam Venture Limited, Shri S.N. Modani Director of Holding Company and Corporate guarantee of Holding Company.

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

Term Loans from Banks & Financial Institutions

Name of Bank	Nature of Loan	Year of Sanction	O/s Amount Rs. In lacs	Current Maturity	Instalments
CANARA Bank	Term Loan	2022-23	5,500.00	300	Term loan is repayable in 32 step up quarterly instalments commencing from 30.06.2024

19 LEASE LIABILITIES	As at 31st March,2025	As at 31st March,2024
Lease Liability (Refer Note No:- 45)	30.30	34.04
TOTAL	**30.30**	**34.04**

20 PROVISIONS	As at 31st March,2025	As at 31st March,2024
Provision For Leave Encashment	20.01	21.02
TOTAL	**20.01**	**21.02**

21 DEFERRED TAX LIABILITY (Net)	As at 31st March,2025	As at 31st March,2024
Deferred Tax Liability		
Related to fixed assets	188.02	-
TOTAL (A)	**188.02**	**-**
Deferred Tax Assets		
Related to Gratuity & leave Encashment	9.82	-
Related to Unabsorbed Depreciation & losses	93.75	-
Related to Disallowance u/s 40 A(ia)	-	-
TOTAL (B)	103.57	-
Deferred Tax Liability (Net) (A-B)	**84.45**	**-**
Less: Opening Deferred Tax Assets	**-**	**-**
Deferred Tax Liability Show in BS	**84.45**	**-**

22 BORROWINGS	As at 31st March,2025	As at 31st March,2024
Secured		
Loans repayable on Demand from Banks	1,293.10	-
Current Maturities of Long Term Debt	300.00	290.00
TOTAL	**1,593.10**	**290.00**

23 LEASE LIABILITIES	As at 31st March,2025	As at 31st March,2024
Lease Liability (Refer Note No. :- 45)	3.74	3.49
TOTAL	**3.74**	**3.49**

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Notes on Financial Statements for the period ended 31st March 2025 (₹ in Lakhs)

24	**TRADE PAYABLES**	As at 31st March,2025	As at 31st March,2024
	(A) Total outstanding dues of micro enterprises and small enterprises	100.83	54.24
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	144.16	2,531.98
	TOTAL	**244.99**	**2,586.21**
24.1	Payable to holding company towards purchase of goods	-	2,444.99

24.2 Dues to Micro, Small & Medium Enterprises:-

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.

24.3	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
	- Principal amount due to micro and small enterprises*	100.83	54.24
	- Interest due on above	-	-
24.4	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
24.5	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
24.6	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
24.7	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Trade Payable Ageing Schedule

MSME		
Less than 1 year- Undisputed	100.83	54.24
Other than MSME		
Less than 1 year- Undisputed	144.07	2,531.40
1-2 years -Undisputed	0.09	0.58
2-3 years -Undisputed	-	-
More than 3 Years - Disputed	-	-
Total	**244.99**	**2,586.22**

25	**OTHER FINANCIAL LIABILITIES**	As at 31st March,2025	As at 31st March,2024
	Creditors for Capital Expenditure	28.49	59.90
	Security Deposits	5.97	26.65
	Liability towards Staff and Workers	86.04	111.16
	Liablilities for Expenses	94.68	66.87
	TOTAL	**215.18**	**264.58**

26	**OTHER CURRENT LIABILITIES**	As at 31st March,2025	As at 31st March,2024
	Statutory Dues	183.18	27.26
	TOTAL	**183.18**	**27.26**

27	**SHORT TERM PROVISIONS**	As at 31st March,2025	As at 31st March,2024
	Provisions for Employee Benefits:		
	Gratuity	56.44	43.46
	Leave Encashment	0.81	21.90
	TOTAL	**57.25**	**65.36**

28	**REVENUE FROM OPERATIONS**	2024-25	2023-24
	Sale of Products/ Income from Services	7,243.62	4,632.82
	TOTAL	**7,243.62**	**4,632.82**

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Notes on Financial Statements for the period ended 31st March 2025

(₹ in Lakhs)

		2024-25	2023-24
29	**OTHER INCOME**	**2024-25**	**2023-24**
	Interest Income on Financial Assets at amortized cost		
	from Others	3.44	0.33
	Other Non-Operating Income		
	Rent Received	3.25	2.75
	TOTAL	**6.69**	**3.08**
30	**COST OF MATERIALS CONSUMED**	**2024-25**	**2023-24**
	Raw Material Consumed	2,632.93	2,185.88
	Consumption of Dyes & Chemicals	414.72	300.20
	TOTAL	**3,047.65**	**2,486.08**
31	**Purchase of Traded Goods**	**2024-25**	**2023-24**
	Purchase of Traded Goods	-	-
	Total	-	-
31	**CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**	**2024-25**	**2023-24**
	Inventories at the end of the year		
	Finished Goods	583.66	752.33
	Work-in-Progress	282.69	323.45
		866.35	**1,075.78**
	Inventories at the beginning of the year		
	Finished Goods	752.33	222.31
	Work-in-Progress	323.45	43.74
		1,075.78	**266.05**
	(INCREASE) / DECREASE IN INVENTORY	**209.43**	**(809.73)**
32	**EMPLOYEE BENEFITS EXPENSE**	**2024-25**	**2023-24**
	Salaries and Wages	1,277.52	999.73
	Contribution to Provident and Other Funds	98.73	97.69
	Staff Welfare Expenses	6.49	3.63
	TOTAL	**1,382.74**	**1,101.04**
33	**FINANCE COSTS**	**2024-25**	**2023-24**
	Interest Expenses	238.28	350.42
	Other Borrowing Cost	33.14	18.28
	TOTAL	**271.42**	**368.70**
	Net of Interest capitalised (Refer note 3)		
34	**DEPRECIATION AND AMORTISATION EXPENSES**	**2024-25**	**2023-24**
	Depreciation on Tangible Assets	770.32	587.92
	Ammortisation of Intangible Assets	2.17	1.59
	TOTAL	**772.49**	**589.51**
35	**POWER & FUEL**	**2024-25**	**2023-24**
	Power & Fuel Expenses	260.64	238.15
	TOTAL	**260.64**	**238.15**
36	**OTHER EXPENSES**	**2024-25**	**2023-24**
	A. Manufacturing Expenses		
	Stores & Spares Consumed	214.37	169.61
	Packing Material Consumed	20.83	44.12
	Processing and Job Charges	8.97	6.42
	Repairs To : Plant & Machinery	10.00	11.38
	Repairs To : Building	7.81	0.01
	Repairs To : Others	6.29	4.22
	Misc. Manufacturing Expenses	0.87	0.22
	Sub Total (A)	**269.14**	**235.98**

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Notes on Financial Statements for the period ended 31st March 2025

(₹ in Lakhs)

B. Administrative Expenses		
Rent (including short term lease rent)	377.35	277.28
Rates & Taxes	0.39	0.83
Payments to Auditors : Statutory Audit Fees	2.25	0.75
: Reimbursement of Expenses	-	0.03
Telephone & Postage	2.79	4.62
Travelling & Conveyance	3.40	1.80
Printing & Stationery Expenses	2.01	1.92
Legal & Professional Fees	8.99	4.72
Miscellaneous Expenses	28.36	68.08
Insurance Premium	25.28	16.06
Vehicle Running & Maintenance	0.60	-
Sub Total (B)	**451.42**	**376.09**
C. Selling & Distribution Expenses		
Freight, Octroi and Other Selling Expenses	44.57	2.05
Sub Total (C)	**44.57**	**2.05**
TOTAL (A+B+C)	**765.13**	**614.12**

37	**OTHER COMPREHENSIVE INCOME**	**2024-25**	**2023-24**
	Items that will not be reclassified to profit or loss		
	Remeasurement of defined benefit plans	32.68	(48.53)
	Total	**32.68**	**(48.53)**

38	**EARNINGS PER SHARE (EPS)**	**2024-25**	**2023-24**
i)	Net Profit/ (Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs in Lacs)	434.49	286.06
	Less: Exceptional Items	-	-
	Net Profit/(Loss) after Exceptional Items	434.49	286.06
ii)	Weighted Average number of equity shares used as denominator for calculating EPS (Nos.)	1,19,70,000	1,19,70,000
iii)	Basic and Diluted Earning per share (In ₹)	3.63	2.39
iv)	Face Value per equity share (In ₹)	10.00	10.00

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

Amount (₹ in Lakhs)

	As at,31st March,2025	As at,31st March,2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises*	100.83	54.24
- 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.

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

A. Details of Related Parties

1. Key Management Personnel

Shri Vinod Kumar Sodani (Managing Director)
Shri Anurag Soni (Director)
Shri S. R. Dakhera (CFO)
Shri Nikhilesh Rajpurohit (Company Secretary)

2. Holding Company

M/s Sangam (India) Limited

B Disclosure of related party transactions:

Amount (₹ in Lakhs)

Sr.no.	Nature of transaction/relationship/major parties	Relationship	2024-25	2023-24
1	**Purchase of Material**			
	M/s Sangam (India) Limited	Holding Company	1239.16	2281.36
2	**Purchase of Services**			
	M/s Sangam (India) Limited	Holding Company	376.55	282.00
3.	**Sale of Goods**			
	M/s Sangam (India) Limited	Holding Company	4658.88	4557.2
4	**Sale of Raw Materials**			
	M/s Sangam (India) Limited	Holding Company	-	-
5	**Sale of Trial Run Production**			
	M/s Sangam (India) Limited	Holding Company	-	-
6	**Lease Liability Payments**			
	M/s Sangam (India) Limited	Holding Company	3.14	2.75
7	**Company Secretary**			
	Shri Nikhilesh Rajpurohit	KMP	5.11	0.38

C Amount due to/from related parties:

Sr.no.	Nature of Transactions /relationship/major parties	Relationship	2024-25 Amount	2023-24 Amount
1	**Trade & Other Receivables**			
	M/s Sangam (India) Limited	Holding Company	40.59	876.30
2	**Trade Payable**			
	M/s Sangam (India) Limited	Holding Company	-	2,444.99

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41 CONTINGENT LIABILITIES AND COMMITMENTS

(I)Contingent Liabilities:	2024-25	2023-24
(a) Guarantees:		
Outstanding Bank Guarantees (Excluding Financial Guarantees)	-	-
(II)Commitments		
(a) The company has an outstanding export obligation of approx. Rs 5731 lacs (Previous Year – Rs 5716 lacs), in respect of capital goods imported at the concessional rate of duty under Export Promotion Capital Goods Scheme, which is required to be met at different dates on or before 31st March, 2030.	0	1187.03

42 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 31st March, 2025	For the year ended 31st March, 2024
Contribution to government Provident Fund	76.03	73.42

(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.

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 31 March 2025. 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		Leave encashment	
	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024
Net defined benefit (liability) / asset	56.45	64.48	20.82	21.90
Non-current	-	-	20.01	21.02
Current	56.45	64.48	0.81	0.88

Based on the actuarial report although there is bifurcation of current and non current liability, but due to conservative approach and data consistency with holding company all liabilies treated as short term for the balance sheet purpose.

B. **Plan assets**

Particulars	31stMarch, 2025	31st March, 2024
Fund managed by insurer	100%	100%
	100%	100%

C. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

(₹ in Lakhs)

Particulars	31st March, 2025	31st March, 2024
Discount rate	6.92%	7.21%
Expected rate of future salary increase	5.50%	5.50%
Mortality	100% of IALM (2012 - 14) Urban	

Assumptions regarding future mortality have been based on published statistics and mortality tables.

D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would

Particulars	Gratuity				Leave Encashment			
	31st March 2025		31st March 2024		31st March 2025		31st March 2024	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	7.42	9.07	7.83	9.54	-	-	2.68	3.28
Expected rate of future salary increase (1% movement)	9.11	7.58	9.61	8.02	-	-	3.31	2.74

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.

E. 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.

F. Expected maturity analysis of the undiscounted gratuity benefits is as follows **(₹ in Lakhs)**

Particulars	As at 31st March, 2025	As at 31st March, 2024
Duration of defined benefit payments		
Less than 1 year	-	-
Between 1-2 years	2.50	3.22
Between 3-5 years	7.09	9.82
Over 5 years	183.96	203.20
Total	193.55	216.24

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 15 years

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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:

(₹ in Lakhs)

Particulars	Gratuity (Funded)						Leave Encashment (Funded)					
	31st March, 2025			31st March, 2024			31st March, 2025			31st March, 2024		
	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 1st April,2024	64.75	0.23	64.48	5.91	0.25	5.66	30.45	8.55	21.90	2.91	-	2.91
Included in profit or loss												
Current service cost	32.33	-	32.33	9.88	-	9.88	16.85	-	16.85	7.31	-	7.31
Interest cost (income)	4.67	(0.02)	4.65	0.43	(0.02)	0.41	1.58	-	1.58	0.21	-	0.21
	37.00	(0.02)	36.98	10.31	(0.02)	10.29	18.43	-	18.43	7.52	-	7.52
Included in OCI												
Remeasurements loss (gain)												
Actuarial loss (gain) arising from:	-	-	-	-	-	-	-	-	-	-	-	-
Demographic assumptions	-	-	-	1.96	-	1.96	-	-	-	0.00	-	0.00
Financial assumptions	2.31	-	2.31	0.60	-	0.60	0.81	-	0.81	0.21	-	0.21
Experience adjustment	(34.92)	0.07	(34.99)	45.97	-	45.97	(3.42)	-	(3.42)	19.81	-	19.81
On plan assets	-	-	-	-	-	-	-	-	-	-	-	-
	(32.61)	0.07	(32.68)	48.53	-	48.53	(2.61)	-	(2.61)	20.02	-	20.02
Other												
Contributions paid by the employer	(12.33)	-	(12.33)	-	-	0.00	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-	-	16.90	(16.90)	-	8.55	(8.55)
Expected Return on Plan Assets	-	-	-	-	-	-	-	-	-	-	-	-
	(12.33)	-	(12.33)	-	-	0.00	-	16.90	(16.90)	-	8.55 -	8.55
Balance as at 31st March,2025	**56.81**	**0.28**	**56.45**	**64.75**	**0.23**	**64.48**	**46.27**	**25.45**	**20.82**	**30.45**	**8.55**	**21.90**

43 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.

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44 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT:

Fair value measurements Hierarchy

Amount (₹ in Lakhs)

	As at 31st March, 2025				As at 31st March, 2024			
Particulars	**Carrying Amount**	**Level 1**	**Level 2**	**Level 3**	**Carrying Amount**	**Level 1**	**Level 2**	**Level 3**
Financial Assets:								
At Amortized Cost								
Other non-current financial assets	37.88	-	-	-	16.56	-	-	-
Trade receivables	610.23	-	-	-	926.01	-	-	-
Cash and cash equivalents	188.88	-	-	-	3.34	-	-	-
Bank balances other than above	20.00	-	-	-	-	-	-	-
Other current financial assets	125.46	-	-	-	226.61	-	-	-
	982.45	-	-	-	**1,172.52**	-	-	-
Financial Liabilities								
At Amortized Cost								
Borrowings-Non Current	5,500.00	-	-	-	5,799.58	-	-	-
Lease Liabilities-Non Current	30.30	-	-	-	34.04	-	-	-
Provision for Leave Encashment - Non Current	20.01	-	-	-	21.02	-	-	
Borriwings - Current	1,593.10	-	-	-	290.00	-	-	-
Lease Liabilities- Current	3.74	-	-	-	3.49	-	-	-
Trade payables	244.99	-	-	-	2,586.22	-	-	-
Other current financial liabilities	215.18	-	-	-	264.58	-	-	-
	7,607.32				**8,998.93**	-	-	-

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.

Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk;
- Liquidity risk; and

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.

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.

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's Management has established a credit policy under which each new customer is analysed 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.

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 ₹610.23 (Lakhs) (31st March 2024 – RS.926.01 Lakhs).

During the period, the Company has made no write-offs of trade receivables. A default on a financial asset is when counterparty fails to make payments as per negotiated credit terms. The Company has not made any Provision for loss allowance.

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i 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 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 and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements.

(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.

Amount (₹ in Lakhs)

Particulars	Carrying Amount	Contractual cash flows			
	31st March,2025	Total	Within 1 Year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings-Non Current	5,500.00	5,500.00	-	4,600.00	900.00
Lease Liabilities-Non Current	30.30	30.30	-	12.46	17.84
Provision for Leave Encashment - Non Current	20.01	20.01	-	20.01	-
Borrowings- Currents	1,593.10	1,593.10	1,593.10	-	-
Lease Liabilities- Current	3.74	3.74	3.74	-	-
Trade payables	244.99	244.99	244.90	0.09	-
Other current financial liabilities	215.18	215.18	215.18	-	-
Total non-derivative liabilities	**7,607.32**	**7,607.32**	**2,056.92**	**4,632.56**	**917.84**

Amount (₹ in Lakhs)

Particulars	Carrying Amount	Contractual cash flows			
	31st March,2024	Total	Within 1 Year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings-Non Current	5,799.58	5,799.58	-	3,260.00	2,539.58
Lease Liabilities-Non Current	34.04	34.04	-	17.40	16.64
Provision for Leave Encashment - Non Current	21.02	21.02	-	21.02	-
Borrowings- Currents	290.00	290.00	290.00	-	-
Lease Liabilities- Current	3.49	3.49	3.49	-	-
Trade payables	2,586.22	2,586.22	2,586.22	-	-
Other current financial liabilities	264.58	264.58	264.58	-	-
Total non-derivative liabilities	**8,998.93**	**8,998.93**	**3,144.29**	**3,298.42**	**2,556.22**

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 rate 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. Currency risks related to the principal amounts of the Company's foreign currency payables have not been hedged using forward contracts.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

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

(Amount in Lakhs)

Particulars	As at 31st March,2025		As at 31st March,2024	
	EUR	USD	EUR	USD
Financial Instruments				
Trade Payables	-	-0.36	-	-
Advance to trade payables	-	0.69	0.27	-
TOTAL	**-**	**0.33**	**0.27**	**-**

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.

Amount (₹ in Lakhs)

Particulars	Profit or Loss	
	Strengthening	Weakening
31st March, 2025		
EUR (1% movement)	-	-
USD (1% movement)	-0.28	0.28
31st March, 2024		
EUR (1% movement)	-0.24	0.24
USD (1% movement)	-	-

45 DISCLOSURE UNDER IND AS 116 "LEASES"

The Company has lease contract for building used in its operations. Lease of Building have lease term of 10 years.

Amount recognized in Statement of profit or loss

Amount (₹ in Lakhs)

Particulars	2024-25	2023-24
Depreciation of Right of use Assets	4.37	4.37
Interest Expenses on lease liabilities	2.52	2.76

Maturity Pattern of lease liability

Finance Lease discounted

Amount (₹ in Lakhs)

Particulars	2024-25	2023-24
Less than 1 year	3.74	3.25
1-5 Years	12.46	17.40
More than 5 years	17.84	16.64

Movement of Lease Liability

Amount (₹ in Lakhs)

Particulars	2024-25	2023-24
As at 1st April, 2024	37.53	40.77
Additions		-
Accretion of Interest	2.52	2.76
Payment	6.00	6.00
As at 31st March,2025	**34.04**	**37.53**
Current Lease Liability	3.74	3.49
Non Current Lease Liability	30.30	34.04

46 PREPARATION OF FINANCIAL STATEMENT ON GOING CONCERN BASIS

The company has not earned operating profits in current year and expects situations to improve significantly over the period. The company is a wholly owned subsidiary of M/s Sangam (India) Limited and is incorporated with the objective of Manufacturing of seamless readymade garments. The company mainly buys products from the holding company and sells it through network of dealers (online and offline) all over the India. The company is presently fully funded by M/s Sangam India Limited and the holding company is committed to infuse additional funds and to provide reasonable credit lines to the company. The nature of Industry is such that losses/ low profits are incurred in initial years till brand is fully set up. Based on the increase in the sales, response from the dealers and holding company's support, the management is confident of substantial increase in turnover and operating profits in near future. Hence, the financial statements are prepared on going concern basis.

47 Additional Regulatory Requirements as required under Schedule III of the Companies Act, 2013

a. Title deeds of all immovable properties are held on the name of the Company.

b. The Company has not revalued any Property, Plant and Equipment and Intangible Assets during the year.

c. The Company has not given loan or advances in nature of loans to promoters, directors, KMPs and the related parties which is repayable on demands or without specifying any terms or period of repayment.

d. There is no proceedings initiated or pending against the group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

e. The Company is not declared a wilful defaulter by any bank or financial Institution or other lender.

f. As informed by the Management , there are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 by the company during the year and there are no outstanding balance as on 31st March, 2025 with any struck off companies

g. There are no charges or satisfactions of charges which are yet to be registered with Registrar of Companies beyond the statutory period.

h. There is no investment made by the company in other companies. Hence, there is no compliance required on the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

i. The Company has not advanced or loaned or invested funds to any other person or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

BHILWARA FRN 002330C CHARTERED ACCOUNTANTS

SANGAM VENTURES LIMITED Bhilwara

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2025

j. The Company has not received any fund from any person or entities, including foreign entities (Funding Party) with the understanding that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

k. The Company has not surrendered or disclosed as income or the previously unrecorded income and related assets during the year in the tax assessments which are not recorded in the books of accounts of the company.

l. The company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

48 In the opinion of the management and to the best of their knowledge and belief, the value of loans, advances and other current assets whether debit or credit in the ordinary course of business will not be less than the amount at which they are stated in the Balance-Sheet and provision for all known liabilities has been made.

49 APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved for issue by the Board of Directors on 27th May, 2025.

50 PREVIOUS YEAR'S FIGURES

Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

51 RATIO ANALYSIS

S.No	Ratio		Basis of calculation	2024-25	2023-24	Change	Reason for Variance
1	Current Ratio	Times	Current Assets/ Current Liabilities	1.49	1.11	34.20	
2	Debt-Equity Ratio	Times	Total Debt/ Equity	1.67	1.61	3.47	
3	Debt Service Coverage Ratio	Times	Earnings for debt service/ Debt Service	5.19	2.48	109.19	
4	Return on Equity Ratio	%	Profit after Tax/ Shareholders Equity	10.20%	5.69%	79.35	
5	Inventory turnover ratio	Times	Cost of Goods Sold** /Average Inventory	1.99	1.92	3.53	
6	Trade Receivables turnover ratio	Times	Revenue from operations/ Average Trade Receivable	9.43	9.53	-1.05	
7	Trade payables turnover ratio	Times	Cost of Goods Sold**/ Average Trade Payables	2.49	1.50	65.70	
8	Net capital turnover ratio	Times	Revenue from operations / Working capital$	6.44	13.34	-51.73	
9	Net profit ratio	%	Net Profit/(Loss) after tax/ Revenue from operations	6.00%	1.04%	476.75	
10	Return on Capital employed	%	Earnings before Interest and tax#/ Capital Employed@	7.10%	5.20%	36.59	
11	Return on Investment	%	PAT/ Total Assets	3.56%	2.22%	60.56	

** Cost of Good sold = Cost of materials consumed +Purchases of stock-in-trade + Changes in inventories+ Manufacturing and operating expenses

* Earnings for Debt Service = Earnings before finance costs, depreciation and amortisation, exceptional items and tax (EBIDTA)/(Finance cost for the year + Principal repayment of long-term debt liabilities within one year+current lease liab.)

$ Working Capital = Current Assets - Current Liabilities

Earnings before Interest and Tax = Profit after exceptional item and before tax + Finance costs (recognised)

@Capital Employed = Average of equity and total borrowings

As per our report of even date
For: O.P. Dad & Co.
Chartered Accountants
(Firm Registration No. 002330C)

O.P. DAD & CO. BHILWARA FRN 002330C CHARTERED ACCOUNTANTS

(Abhishek Dad)
Partner
Membership No. 409237
UDIN: 25409237BMOVNQ3517
Place: Bhilwara
Date: 27th May, 2025

For and on behalf of the Board

(V.K. Sodani)
Managing Director
(DIN 00403740)

(Anurag Soni)
Director
(DIN 03407094)

(S. R. Dakhera)
Chief Financial Officer

(Nikhilesh Rajpurohit)
Company Secretary
(M. No.: A73106)

SANGAM VENTURES LIMITED Bhilwara