



Value through values

# Sustaining our growth. Advancing our future.

SANGAM (INDIA) LIMITED

ANNUAL REPORT  
2021-22



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

### Investor Information

Market Capitalisation as on 31 <sup>st</sup> March, 2022	₹ 1,124.40 Crore
CIN	L17118RJ1984PLC003173
BSE Code	514234
NSE Symbol	SANGAMIND
Bloomberg Code	SNGM:IN
AGM Date	Thursday, 29 <sup>th</sup> September, 2022 at 4:00 P.M
AGM Venue/Mode	Video Conferencing (VC)/Other Audio Visual Means (OAVM)



# **Sustaining our growth.**

# **Advancing our future.**

A long-standing presence in the industry has nurtured our skills and knowledge to provide the best to our customers, while bringing innovation into our product lines. The mindset to stay a step ahead always has been the fundamental driver of our growth so far, and will define our growth trajectory going ahead.

Growth can only be attained via consistent efforts made in the right direction. At Sangam, we continually innovate and adapt our business operations in an effort to find a better path forward. Thus, being resilient and sustaining our growth.

The previous fiscal year was filled with uncertainties. Even though there were some headwinds to cause disruptions, we were able to execute our strategic approach to advancing our future, backed by our core competencies and optimum utilisation of our capabilities. This was possible due to our agility, strategic mindset and ability to quantify the potential impact of the headwinds.



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# Sangam (India) Limited at a glance

Incorporated in the year 1984, Sangam (India) Limited ('We', 'The Company' or 'Sangam') has evolved to become one of the leading manufacturers of PV-dyed yarn in India. Sangam was founded in 1984, under the leadership of visionary Mr. R. P. Soni. Since the beginning, our purpose has been to offer products of the highest calibre that are stylishly designed and extremely comfortable. Our ongoing commitment to R&D is reflected in our manufacturing facilities that are created to meet the constantly changing demands of the clientele. Our success as a company is primarily supported by our honesty and sense of teamwork.

We are a fully integrated textile company having five fully equipped production bases across Bhilwara and Chittorgarh, both in the state of Rajasthan. We recently finished the first phase of our brownfield expansion in Bhilwara, to increase our production capacity.

In line with Sangam (India) Limited's vision, we strive for business excellence while maximising shareholder value and customer happiness.



## OUR MISSION

To maximise customer value and expand customer base with a focus on B2C segment while keeping pace with changes in the external environment.



## OUR VISION

At Sangam, we strive to build enterprises driven by excellence which maximises customer satisfaction and create value for all stakeholders.



## OUR VALUES

### Commitment

We are committed to foster trusted client relationships and to enhance stakeholders' value. We enable others to trust us by delivering on our accountabilities and stand by decisions when they are made. We expect to follow ethical business practices with complete transparency and open communication.

### Integrity

We carry our responsibilities in honest and trustworthy manner. We expect to uphold high standard of conduct and to have integrity in all our thoughts and actions.

### Professionalism

We expect to conduct ourselves in professional manner even in the most challenging circumstances.

### Quality

Our endeavour is to provide high-quality products and adhere to world-class standards.

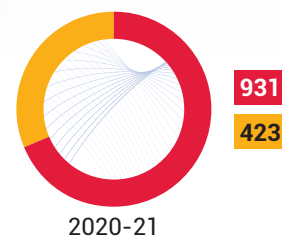
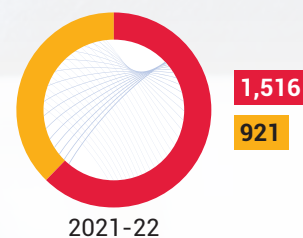
### Adaptability

We remain steadfastly adaptable to changing dynamic environment.

## Our sales figures in 2021-22

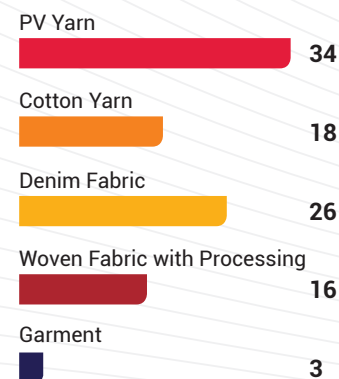
(₹ in Crore)

■ Domestic ■ Exports



## Segment-wise sales contribution in 2021-22

Sales contribution (%)





## OUR POTENTIAL IN NUMBERS

**37**

YEARS OF INDUSTRY EXPERIENCE

**58+** Countries

EXPORT PRESENCE

**5**

STATE-OF-THE-ART  
MANUFACTURING FACILITIES

₹ **2,438** Crore

REVENUE FROM  
OPERATIONS IN 2021-22

₹ **308** Crore

EBITDA IN 2021-22

**69,143** MTPA

PV-DYES YARN MANUFACTURES  
IN 2021-22

**38** MMPA

DENIM FABRIC  
MANUFACTURED  
IN 2021-22

**30** MMPA

WOVEN FABRIC  
MANUFACTURED  
IN 2021-22

**1.2** MPPA

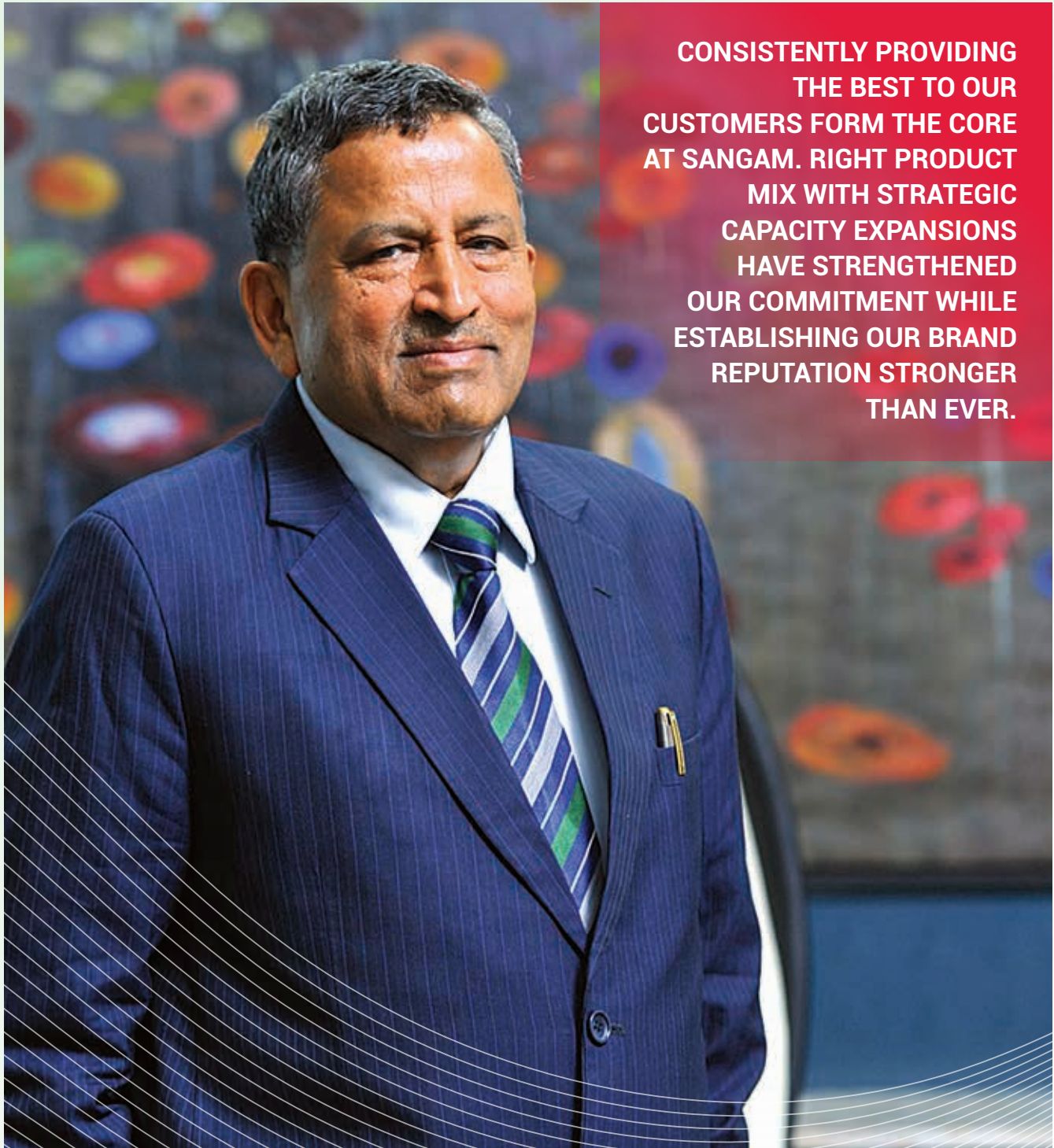
GARMENT MANUFACTURED  
IN 2021-22

EBITDA: Earnings before Interest, Taxes, Depreciation and Amortisation  
MTPA: Metric Tonnes per Annum  
MMPA: Million metres per Annum  
MPPA: Million pieces per Annum



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# Message from the Chairman



**CONSISTENTLY PROVIDING THE BEST TO OUR CUSTOMERS FORM THE CORE AT SANGAM. RIGHT PRODUCT MIX WITH STRATEGIC CAPACITY EXPANSIONS HAVE STRENGTHENED OUR COMMITMENT WHILE ESTABLISHING OUR BRAND REPUTATION STRONGER THAN EVER.**

Dear Shareholders,

I hope this letter finds you safe and healthy.

The need for agility, adaptability, and transformation was like never before in the last couple of years. We overcame one of the most hostile environments in history, and in doing so, we demonstrated incredible resilience through all the difficulties as we continued to forge ahead. We have

adjusted with the paradigm shift and kept our commitment to provide the best possible service to our customers, team members, shareholders, and the general public. Right from our inception, we have adopted an innovative mindset for our business and products and responded to the evolving market trends promptly. This has enabled us to emerge as one of the leading textile manufacturers in the country.

The prior fiscal year provided evidence of a challenging uphill journey. In just one year, we had to deal with several difficulties. Pandemic-related challenges were present at the beginning of the first quarter, and by the end of the year, geopolitical tensions between Russia and Ukraine had spread throughout the world. Our everyday lives have been severely impacted by a succession of unprecedented events in the interim, including severe supply chain disruption, significant increases in the price of power and crude oil, and persistent inflationary pressure. However, in spite of all these hurdles, our nation displayed incredible resilience and adaptability to become the fastest-growing economy in the world with an 8.7% growth rate.

India saw new growth spurts throughout the year. As demand and consumption essentially stabilised at pre-pandemic levels during the year, the core industries experienced considerable growth. An increase in both public and private consumption helped to further strengthen our economy. However, taking into account the inflationary pressure, the Reserve Bank of India raised its repo rate by 90 basis points over two installments, from 4 to 4.9. Additionally, it is expected that this will have an effect on interest rates. These economic changes prompted us to establish strategies in place to stabilise our Company and expand in the face of uncertainty.

The Indian textile industry has been resilient and has advanced significantly after a few trying years. The changing geopolitical dynamics have made India the preferred destination for many importers. This has been reinforced by the assertive position taken by the Indian Government to re-negotiate a number of free trade agreements (FTAs). Government programmes like the Production Linked Incentive (PLI) scheme, the development of mega textile parks (MITRA), and the expansion of the Rebate of State and Central Taxes and Levies plan will all assist the industry further. These elements have helped the sector, which is rapidly progressing toward revival.

During the year under review, Sangam recorded an outstanding financial performance. We registered our highest-ever revenues and net profits since our inception. Our revenue stood at ₹ 2,438 Crore in 2021-22, compared to ₹ 1,354 Crore in 2020-21, clocking a staggering 80% growth. Our profit after tax grew from ₹ 5.38 Crore in 2020-21 to ₹ 140.22 Crore in 2021-22. The domestic sales stood at ₹ 1,516 Crore in 2021-22 and export sales stood at ₹ 921 Crore in 2021-22. This growth can be attributed to a successful recovery post the pandemic. On the capex front, we initiated a ₹ 137.25 Crore brownfield growth plan for the cotton yarn division. The first phase of the growth plan is completed and commercial manufacturing has also begun.

At Sangam, we constantly strive to foster an innovative culture to create value for our stakeholders. Our strong R&D skills support the innovation we bring to our product line, which primarily consists of cotton yarns, woven

textiles, denim fabrics, and apparel. Our strong foundation, depth of knowledge, and global reach have increased our competitiveness. The Company's R&D focus remains on understanding the dynamic needs of the customers so that we can always remain a step ahead of the curve. In our quest to deliver distinctive styles, comfort, and complete textile solutions, we focus on providing our customers an extraordinary brand experience. Moreover, our marquee brand, C9 Airwear, has enabled us to meet the growing need for garments and develop a strong customer base.

We have pledged to grow sustainably alongside the wellbeing community and environment. As the world moves toward a carbon-neutral economy, we plan to commit ourselves more firmly to protect the environment. We are always striving to utilise less conventional energy while supplementing it with alternative energy sources. Our policy of 'reduce, reuse, and recycle' demonstrates our firm approach towards environmental conservation. Our communities, like our environment, are equally important to us. As part of our commitment to societal responsibility, we have participated in a number of CSR initiatives. Alongside these, we are focusing on all facets of society and establishing a robust governing framework.

## VOTE OF THANKS

We can see a clear path forward and are optimistic about our prospects. We will keep making every effort to create value for our stakeholder groups, while minimising impact to the ecosystem. I want to take this opportunity to acknowledge our regulators, customers, board members, and other stakeholders for their steadfast faith and support in our Company.

Best Wishes,

**R. P. Soni**  
Chairman



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# Business Model

## INPUT

### Capitals

### 2021-22 KPIs

## VALUE-CREATION



### FINANCIAL CAPITAL

Prudent allocation of monetary resources obtained through various sources, ensuring a strong balance sheet to generate constant value for our shareholders

Equity Share Capital:	₹ 43.42 Crore
Net Debt:	₹ 739.12 Crore
Reserve and Surplus:	₹ 647.14 Crore



### MANUFACTURING CAPITAL

State-of-the-art manufacturing facilities to produce the best products for our customers

No. of Manufacturing Facilities:	5
Total CAPEX:	₹ 1,063.58 Crore



### NATURAL CAPITAL

Efforts to reduce our environmental footprint through effective waste management and optimal resource utilisation

Total no. Alternate Energy Sources:	2
Total No. of Effluent Treatment Plants:	3
Total No. of Sewage Treatment Plants:	4



### HUMAN CAPITAL

Diverse skill-set of employees across operations help us to grow

Total No. of Employees:	12,000
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### SOCIAL AND RELATIONSHIP CAPITAL

Inclusive approach to address the stakeholder community to fulfill our commitments towards them

Total CSR Expenditure:	₹ 89 Lakhs
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### The Process

Sourcing of high-quality raw material (cotton)

Spinning of raw cotton to weaving the yarns to develop the primary product

Dyeing and printing to process the primary product to produce into finished product

Packaging and dispatching the finished products to the market

Strong branding with sophisticated offerings





## OUTPUT

2021-22 KPIs

Outcome

### Our Value Drivers

Integrated team effort

Strong brand position

Greater customer satisfaction

### Stakeholders Impacted



Customers



Employees



Business partners



Investors



Community



Government

Market Capitalisation:	₹ 1,124.40 Crore
Total Sales:	₹ 2,437.76 Crore
Net Profit:	₹ 140.22 Crore
Return on Capital Employed:	19%
Earnings Per Share:	₹ 35.12



- Reduction in debt and low dependency on loans
- Reduction in interest cost

Yarn Produced:	69,143 MTPA
Total Fabric Manufactured:	688 Lakhs Meters
Total Garment Manufactured:	12 Lakhs pieces



- Strengthened customers' confidence
- Efficiently managed supply chain, resulting in low logistics cost
- Improved market share

Total Solar Energy Generated:	13 MW
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- Reducing dependency on orthodox power sources
- Limited use of natural resources



- Low attrition rate
- Low operational accidents
- Improved quality and productivity
- Optimally used human resource



- Communities benefitted through our educational, healthcare, and environmental initiatives





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# Financial Capital

At Sangam, we strengthen our financial capital with our internal accruals, debt funds, equity funds, reserves and surpluses, to boost our business operations. The Company aims to minimise Sangam's dependency on debt financing and save on interest payments, to use cash reserves more effectively. In order to boost productivity and yields, operational KPIs are assessed against internal and external standards. Owing to our operational efficiency, the Company generated significant operating cash flows during 2021-22. Sangam has a comprehensive financial planning framework in place that assesses the financial requirements for both investments in current operations and long-term business objectives. This helps to ensure a sustainable growth trajectory for the Company.



## PERFORMANCE HIGHLIGHT

(Standalone Financials)

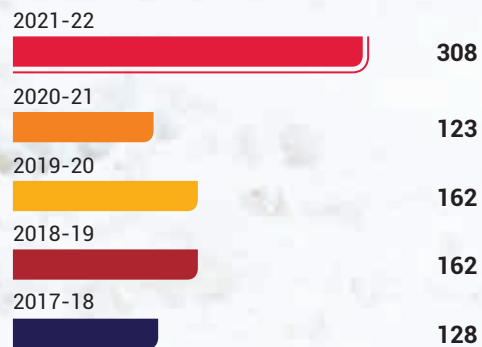
### Total Revenue from Operations

(₹ In Crore)

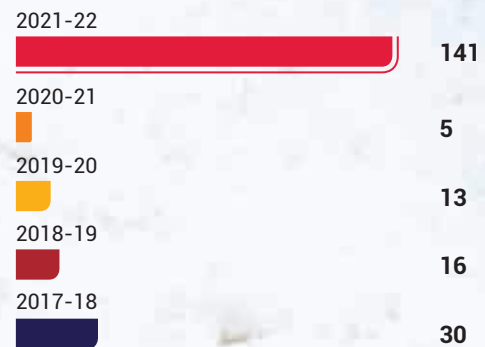
2021-22	2,438
2020-21	1354
2019-20	1783
2018-19	1874
2017-18	1638

**EBITDA**

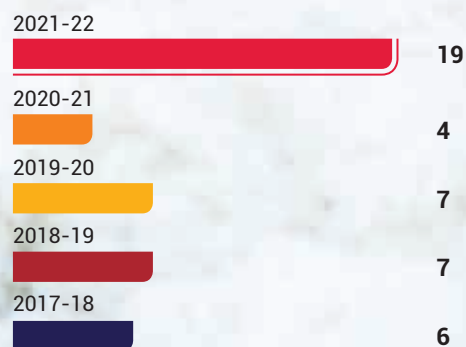
(₹ In Crore)

**PAT**

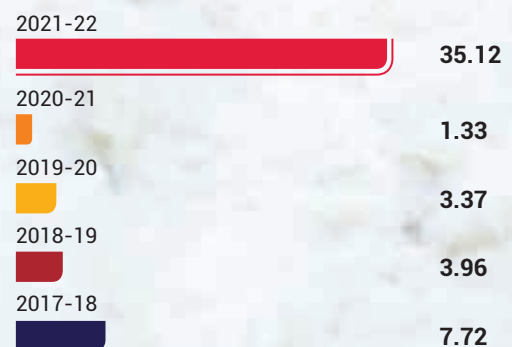
(₹ In Crore)

**Return on Capital Employed**

(%)

**EPS**

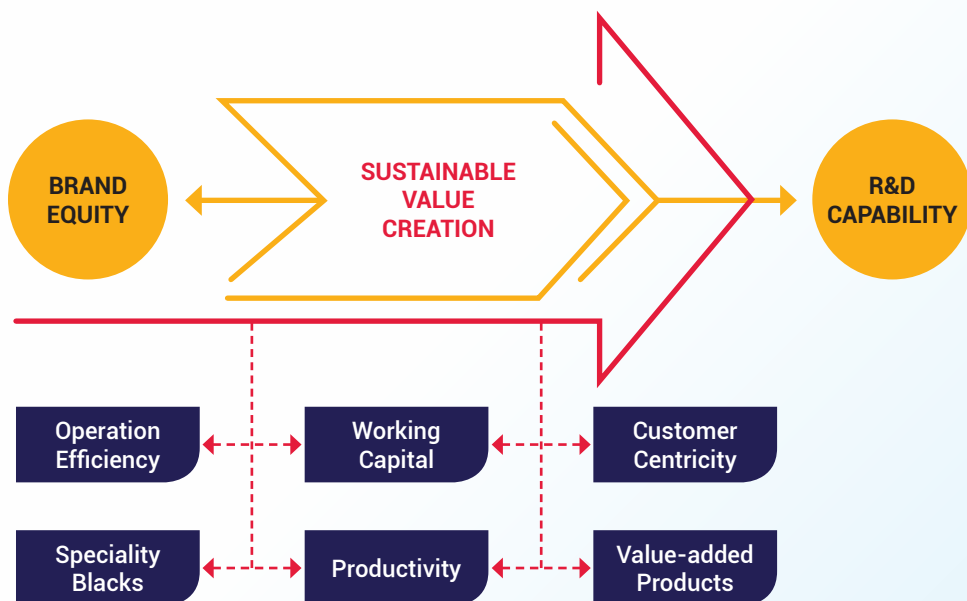
(₹)



# Intellectual Capital

Intellectual capital is the knowledge, reputation, and skills we have developed over the course of our 37 years in the industry. We have developed it over time, in the form of improved R&D productivity and stronger brand positioning.

At Sangam, our products are designed in response to changing consumer demands. Our operations are fundamentally based on innovation. As a part of a dynamic business environment, at Sangam, we are constantly devoted to providing value to all our stakeholders through creative and high-quality products. Our committed R&D team continuously tracks the shifting market trends, and in response, we develop new concepts and designs to enhance our products. This tactic is inextricably linked to sustainable growth. Furthermore, our ongoing market research assists us in identifying potential future endeavours to enhance our growth prospects.



## OUR BRAND STORY

We have created a distinctive brand identity for ourselves, which is attributable to long-standing relationships with our consumers and our ongoing commitment to satisfying their fashion needs. All of this, while maintaining a higher degree of quality and comfort. Sangam enjoys a distinctive identity in the market due to the brand's higher recall among the customers.



## DIFFERENTIATING FACTORS OF OUR BRANDS



### SEAMLESS TECHNOLOGY

All C9 clothes are engineered with seamless CP technology



### 4-WAY STRETCH

4-directional stretch technology allows excellent flexibility and comfort, while working out at the gym



### BREATHABLE FABRIC

Lightweight clothes designed with easy-breathe-through technology to give an 'all day fresh' feeling



### ANTI-CHAFING

Soft band-enabled garments to minimise the friction between skin and elastics



### RAPID DRY

Breathable fabric allows clothes to dry quickly and protect skin from rashes and chafing



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# Manufacturing Capital

At Sangam, we manufacture PV-dyed yarns, fabric, denim fabric and seamless garments. Our manufacturing facilities are the core competencies that enable us to deliver innovative and quality products to our customers. Modern infrastructure in our manufacturing facilities enables us to integrate cutting-edge technologies, so that we can constantly be one step ahead of the competition.

## OUR MANUFACTURING FACILITIES

### Weaving, Processing & Garment Unit

Atun, Bhilwara (Rajasthan)

### Denim Weaving & Processing Unit

Biliya Kalan, Bhilwara (Rajasthan)

### Spinning Unit-I

Biliya Kalan, Bhilwara (Rajasthan)

### Spinning Unit-II

Sareri, Bhilwara (Rajasthan)

### Spinning Unit-III

Soniyana, Chittorgarh (Rajasthan)

During 2021-22, the Company approved a brownfield expansion in the cotton yarn business worth ₹ 137.25 Crore. This expansion plan's first phase was implemented at the Spinning Unit-II in Sareri, Bhilwara, Rajasthan. The Company expanded the cotton and PV yarn capacity by 10,500 MTPA, raising the total production capacity to 95,000 MTPA. The commercial production at this plant started in the month of April 2022.

₹ **137.25** Crore

BROWNFIELD CAPEX PLAN

**10,500** MTPA

CAPACITY EXPANSION

# Human Capital

At Sangam, we believe that our people are the true assets of the Company. Their skills, knowledge and commitment propel the organisation to new heights. It is our human capital that enables us to manufacture and deliver innovative and high-quality textile products to our customers. We provide a safe and healthy working environment to our people, one that fosters innovation, efficiency and all-round development. The Company focuses on prioritising leadership skills, culture, capabilities, gender equality, fair and equal compensation and reward for employees.

## TRAINING AND DEVELOPMENT

We train our personnel to be the leaders of tomorrow. The Company provides the right motivation to our employees for working efficiently in a competitive external environment, while providing impeccable service to the customers. We invest in our employees and conduct regular training to nurture them, boost their strengths and improve operational skills. Thus, adding to the overall contentment of our workforce and increasing productivity. Our relationship-driven approach to work reflects our dedication to our people, and we strive to create an environment where our human resource is inspired to create a positive change.

# 12,000+

EMPLOYEES



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# Natural Capital

As a Group, we endeavour to ensure a substantial contribution to foster sustainable growth and reduce climate change. We have implemented stringent procedures to ensure that we manufacture sustainably through responsible resource allocation, efficient energy-management and effective waste management. We have stepped up our efforts to reduce our carbon footprint through the use of carbon-neutral technologies. We have adopted the 3R policy of Reduce, Reuse and Recycle, to meet our environmental goals. This is our step towards protecting the environment and creating a sustainable future for our stakeholders.

Sangam has incorporated a road map to become an environment-friendly organisation. We have focussed towards the initiatives, like using recycled or organic raw materials and using sustainable chemicals, dyes and other resources that could be hazardous to the environment in multiple ways.

## RENEWABLE ENERGY

As a move to sustainable energy, we have installed three solar power plant with 13MW. These enable us to reduce our carbon footprint by 20%, annually. Additionally, we have a 5 MW wind energy facility, that helps us to reduce the use of conventional energy.

3

SOLAR POWER PLANTS

## WATER CONSERVATION

To decrease the amount of industrial water used, we have established three effluent treatment plants and four sewage treatment plants. This makes it possible for us to reuse and recycle the processed water, adhering to our zero-discharge policy.

3

EFFLUENT TREATMENT PLANT

4

SEWAGE TREATMENT PLANT





# Social and Relationship Capital



Sangam School of Excellence



Sangam University

Smt. Kesar Bai Soni Memorial  
Hospital & Research Centre

## PROMOTING EDUCATION

At Sangam, we believe that education is the right of every individual. The Company established Sangam University (NAAC accredited) in the academic year 2012-13 (in accordance with Rajasthan State Legislative Assembly Act No. 12 of 2012) with the aim of offering communities access to high-quality education. For engineering and MBA students, the Company also founded the AICTE and Institute of Technology and Management. The Company also operates Sangam School of Excellence, a CBSE and IB (IGCSE) affiliated school with cutting-edge learning facilities and ISO 9001:2008 certification. Additionally, we created the Smt. Kesar Bai Soni Educational Foundation Trust to award scholarships to deserving students, particularly those from rural areas.

## SUPPORTING HEALTHCARE

Access to basic healthcare is among the most important issues faced by the nation. At Sangam, we believe in providing healthcare to the marginalised sections of the society. We established Smt. Kesar Bai Soni Memorial Hospital & Research Centre (NABH certified) in an effort to provide easy medical access to the local community. The hospital is equipped with the latest telemedicine and healthcare facilities.

## OTHER INITIATIVES

- Established textile training centres for the communities, in order to help them find employment and support their livelihood. About 500 workers have received training and employment support from these centres
- The first industrial training facility, 'Sangam Industrial Training Centre', was built by the Company in Raila, Rajasthan
- Established Badrilal Soni Maheshwari Shiksha Sahyog Kendra with the goal of enhancing administrative and technical education. The trust is a pioneer in offering interest-rate subsidies for higher education loans





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# Stakeholder Engagement

## Group

## Priorities

## Engagement Mode



### CUSTOMERS

- Branded products
- Assured quality and product pricing
- Regular supply and timely delivery
- Seamless customer service
- Customer satisfaction and retention

- Online and in-store experiences, feedback surveys
- Site visits
- Exhibitions and events
- Customer feedback



### INVESTORS

- Timely communication on strategy and performance
- Ethical business practices, compliance and good corporate governance
- Transparent reporting and disclosure

- Investor & analyst meets/calls, including one-on-one or group meetings
- Quarterly Investor & Analyst call
- Annual General Meeting
- Investor presentations
- Integrated annual report
- Press releases



### EMPLOYEES

- Training and development
- Health and safety matters
- Fair practices, work-life balance and timely remuneration
- Performance evaluation and recognition

- Town hall meetings
- Employee engagement initiatives
- Cultural events
- Training and development workshops
- Health initiatives
- Performance appraisals
- Grievance redressal mechanisms



### COMMUNITIES

- Community welfare initiatives
- Environment conservation
- Healthcare for the underprivileged

- Focus on health, education, livelihood and poverty alleviation
- Skill development and training workshop



### GOVERNMENT/ REGULATOR BODIES

- Compliance with laws and regulations
- Timely reporting through various compliance-based forms

- Meetings, presentation, reports and networking in different forums organised by regulatory authorities
- Mandatory regulatory filings
- Periodical submission of business performance
- Written communications



### VENDORS/ SUPPLIERS

- Fair and ethical procurement & engagement practices
- Knowledge programmes to reduce suppliers' risks
- Pricing and favourable terms of payment
- Timely clearance
- Addressing supplier grievances

- Phone, email or in-person engagement
- Suppliers' meetings, regular meetings, seminars, and workshops

# Board of Directors



**MR. R. P. SONI**  
Chairman



**DR. S. N. MODANI**  
Managing Director & CEO



**MR. V. K. SODANI**  
Executive Director



**MR. ANURAG SONI**  
Director & CFO



**MR. ACHINTYA KARATI**  
Independent Director



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



**MRS. JYOTI SHARMA**  
Independent Director



**MR. YADUVENDRA MATHUR**  
Independent Director



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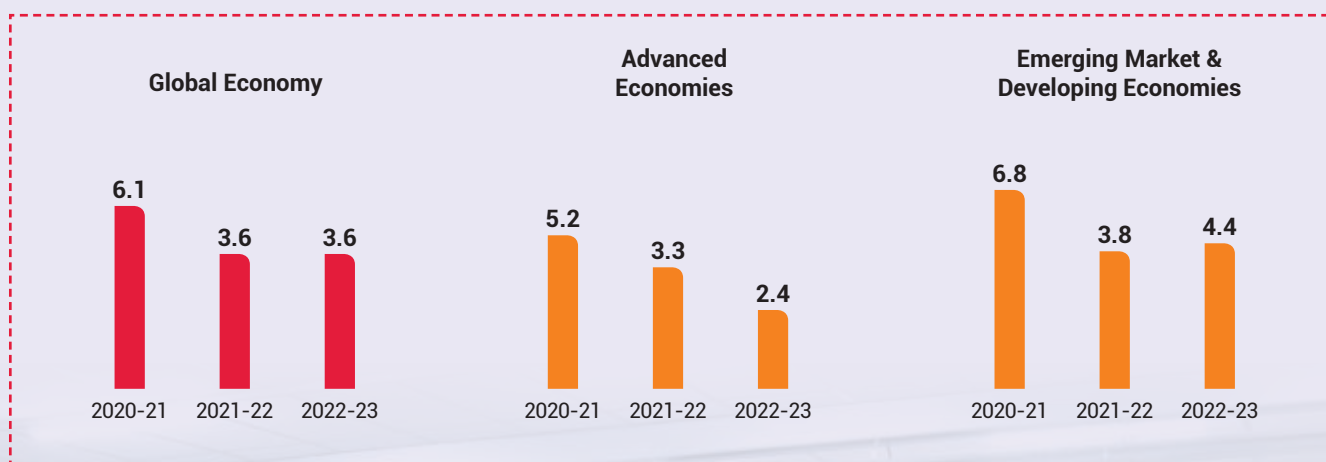
# Management Discussion & Analysis

## GLOBAL ECONOMIC OVERVIEW

As the world approaches the third year of the Covid-19 crisis, the global economy is showing signs of recovery. The global economy expanded by 6.1% in 2021, supported by lower infection rates, the commercialisation and widespread use of several vaccines, along with increased economic activities. The advanced economies expanded by 5.2% in 2021, while the developing countries' GDP increased by 6.8%.

The world economy is forecasting a positive future as it continues to recover from the effects of the Covid-19 pandemic. Going forward, it is necessary to take into account the effects of the present geopolitical unrest between Russia and Ukraine as well as the growing cost of fuel and inflationary pressure. Global GDP is expected to expand by 3.6% in 2022, with Emerging and Developing Economies expected to grow by 3.8% and Advanced Economies expected to grow by 3.3%.

## GROWTH PROJECTIONS



(Source – <https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022>)



The global economy is expected to witness muted growth in 2022 and 2023 with uncertainties surrounding Covid-19 resurgence, tightened fiscal support and restricted monetary policies. With supply disruptions expected to continue, inflation is expected to remain high in the coming months, prompting further monetary policy tightening. Inflation will eventually decrease as demand slows and supply chain issues are rectified. Thus, in the face of additional Covid-19 outbreak and subsequent waves, continuing labour market issues, persisting supply-chain bottlenecks, and mounting inflationary pressures, global economic recovery is predicated on a delicate balancing act.

(Source – World Economic Outlook April, 2022, World Economic Overview 2022)

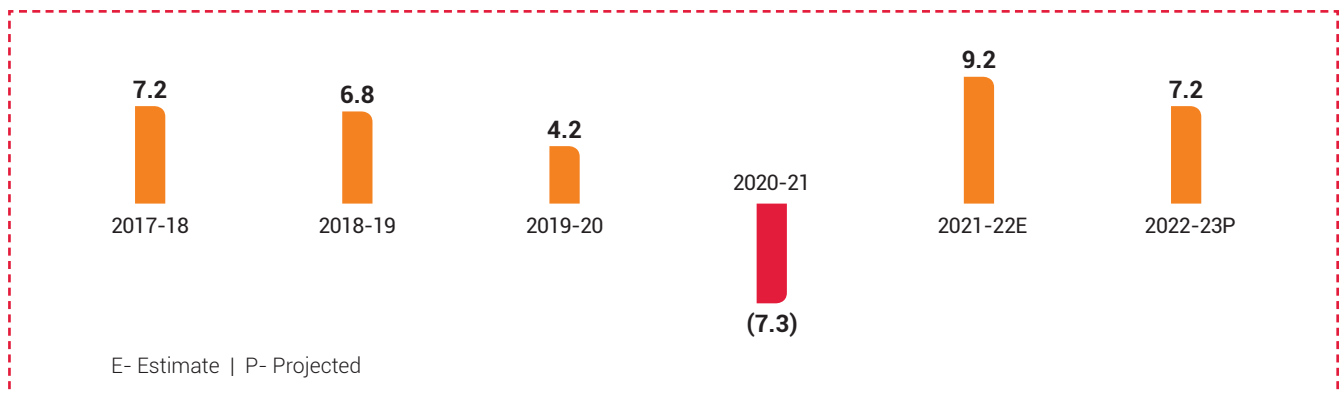
### INDIAN ECONOMIC OVERVIEW

The prognosis for the Indian economy appears to be better than it was in 2020-21 as the country's economy begins to recover from the pandemic-induced turbulences. After declining by 7.3% the year before, India's GDP increased to 8.7% in 2021-22. India is anticipated to continue to be the world's fastest-growing economy between 2021 and 2024,

according to the IMF. This recovery is anticipated as a result of prompt Government actions to boost the economy as well as higher vaccination rates.

Showing a great resilience during the toughest of times, Indian economy has evolved significantly in 2021-22. The economy has received a much-needed boost from increased foreign investments as well as Government schemes like Aatmanirbhar Bharat and the Production-Linked Incentive (PLI) programmes, helping it to revive. The Reserve Bank of India (RBI) forecasts a 7.2% growth in India's GDP in 2022-23. Nevertheless, there are still concerns about the effects of rising prices, potential outbreaks of the pandemic, and global geopolitical catastrophe.

India is expected to witness positive economic growth going ahead, backed by higher vaccination rates, increasing mobility, privatisation, and the Government's strong financial push. However, the longer than expected inflationary pressure in the economy has prompted RBI to increase its repo rate by 90 bps in two steps, refiguring the current rate at 4.90%. This indicates further increment in the interest rates, guiding us in advance to prepare with revised strategies for coming times.



(Source – RBI Forecasts, MOSPI, IMF)

### GLOBAL TEXTILE AND APPAREL INDUSTRY

The global textile industry is primarily comprised of fabrics, yarn, fibre, and thread, home furnishings and floor coverings, textile and fabric finishing, and fabric coating mills. The global textile market is projected to rise from USD 530.97 Billion in 2021 to USD 575.06 Billion in 2022, at a compound annual growth rate (CAGR) of 8.3%. From a commercial standpoint, Western Europe was the second-largest region in 2021 for the textile market, followed by Asia-Pacific. The current boom in e-commerce is the primary driver of the growth. The market for textile production is expected to be driven by increasing demand of online shopping. This has helped the manufacturers to market their products on a bigger platform, expanding their clientele and offering them a greater geographic reach.

Post difficulties faced due to the pandemic, global apparel market regained its pace reaching USD 1.5 Trillion in 2021. The market is expected to grow annually by 3.39% (CAGR 2022-2026) reaching USD 1.5 Trillion by 2026. The apparel manufacturing industry includes businesses that produce complete lines of ready-to-wear clothing as well as custom clothing. The largest apparel market in 2021 was in Western Europe and the second-largest region was Asia-Pacific. To ensure greater productivity while minimising the operational cost, apparel manufacturing businesses are investing in computer-controlled embroidery equipment. With the aid of inputs specified in digital format, this industrial and commercial machineries are capable of producing special fabric effects, chain stitch embroideries, sequins, applique, and cutwork automatically. It can also create designs automatically on the fabric from a pre-programmed digital embroidery pattern.

The global textiles market is expected to be driven by increased consumer awareness, rising disposable incomes, rapid urbanisation, expanding e-commerce platforms, and swiftly changing fashion industry trends. It is anticipated that developing nations like China, India, Mexico, and Bangladesh would be the main drivers of this demand.

(Source – Prnewswire, Globalnewswire, Statista)

## INDIAN TEXTILE AND APPAREL INDUSTRY

Textile industry is one of the oldest industries in India, employing over 45 Million people, including 3.5 Million people working in the handlooms sector. The Indian Textile Industry comprises spinning, weaving and knitting, fabric finishing and apparel segments. Owing to disruption in economic activity and restrictions posed by the Covid-19 pandemic, the domestic textile and apparel industry witnessed a degrowth from USD 106 Billion in 2019-20 to USD 75 Billion in 2021-22.

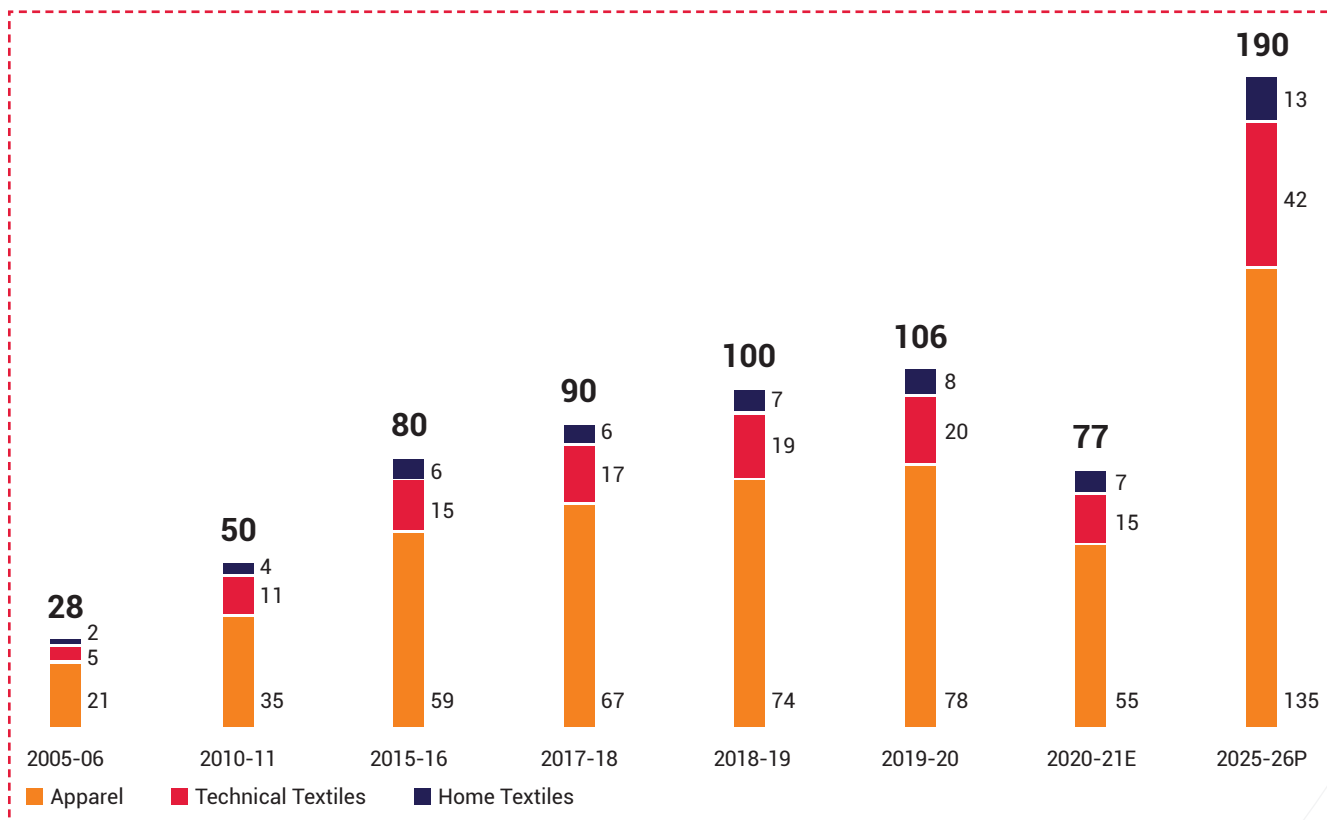
India's textile industry has a significant manufacturing base of a variety of fibres and yarns, including both natural fibres like cotton, jute, silk, and wool as well as synthetic or man-made fibres like polyester, viscose, nylon, and acrylic. Over the years, the Government has played a supportive role in the development of the textile industry. Numerous programmes, including Make in India, Production-Linked Incentive (PLI), National Technical Textiles Mission,

Government e-Marketplace (GeM), Mega Textile Parks, Skill India, Women Empowerment, Rural Youth Employment, among others, are either directly or indirectly related to the growth of the textile industry. The USD 1.44 Billion PLI programme is anticipated to provide the textile industry a significant boost. The programme aims to promote Man-Made Fibre (MMF) clothing, MMF fabrics, and ten categories of technological textiles goods.

The textile and apparel sector contributes 2.3% to the GDP of the nation, 13% to industrial output, and 12% to exports. India is among the largest exporter of textiles and apparel globally. The country has registered its highest-ever export figures in 2021-22 with a total sum of USD 44.4 Billion. Going ahead, the textile industry's market size is anticipated to grow at a CAGR of 19.8% reaching USD 190 Billion by 2025-26.

India is poised to enter a prospective boom phase of the global textile industry. This possibility is being fuelled by the US-China trade difficulties and the China Plus One sourcing policy, which is being supported by many major consumer areas worldwide. India is still one of the potential beneficiaries of this transformation since China, the present world leader in the textile industry, is anticipated to lose some market share in the short to medium-term. However, the competition from other low-cost, more efficient peer nations, changing free trade agreement environment, along with local problems like infrastructure bottlenecks, continue to be significant hurdles.

### INDIA'S DOMESTIC TEXTILE AND APPAREL MARKET SIZE (USD BILLION)



(Source – IBEF, India Textile Sector 2022/23 – EMIS, Economic Times)

## MAN-MADE FIBRE (MMF)

The two primary components of the domestic MMF market are polyester and viscose, which together make up around 94% of the market (in volume terms). In this, polyester makes up around 77.5% of the total, with viscose making up the remainder. MMF is generally utilised to create mixed fabrics and fabrics that are 100% non-cotton, which are then used to make ready-to-wear, home textiles, and other industrial textiles. In 2022-23, an increase of 15-20% is anticipated in Polyester Filament Yarns (PFY) overall demand. Between 2015 and 2025, the demand for textile fibres is predicted to rise by an average of 2.80% annually, from 90.10 Million tonnes to 119.20 Million tonnes, while the demand for man-made fibres is anticipated to rise by 3.7% in 2025. Increased usage in non-wovens and technical textiles, shifting consumer preferences, including a focus on health and hygiene, growing brand awareness, rapidly shifting fashion trends, and expanding female labour participation is expected to contribute to the need for synthetic fibres.

(Source – Investing India)



## COTTON YARN

With more than 50% of the market share, cotton makes up the majority of the yarn business in India. Impacted by the pandemic-induced restriction in the previous years, the cotton yarn industry is regaining its momentum, backed by gradual opening of markets and economies, increased consumer confidence, and a rise in discretionary spending. The use of contemporary technology over time has led to a quick evolution of India's textile mills. Many textile enterprises in India have quickly scaled up their digital capabilities for connecting with partners, customers, and workers in order to lessen the impact of the Covid-19-induced restrictions in the nation and the various areas of the world. With the resumption of economic activities around the globe, demand for cotton yarn has increased rapidly, causing a rise in the yarn prices. As demand surpasses the supply, the growth potential for cotton yarn in India has widened, indicating an optimistic outlook for the cotton yarn industry in India.

(Source – Fibre2fashion, India Textile Sector 2022/23 – EMIS)



## INDIAN INNER WEAR SEGMENT

In the years 2022 to 2027, the inner wear market in India is anticipated to grow at a CAGR of 13.13%. The inner wear industry is expanding quickly, and this pattern is anticipated to continue. The market has seen several disruptions and changes since the Covid-19 outbreak. Although the popularity of inner wear shopping has increased, consumers' priorities have changed from style to comfort and fashion when selecting inner wear. By 2025, the female inner wear market is expected to have nearly doubled to USD 11-12 Billion. It is expected to expand six times faster than it did in 2020, making it one of the fastest-growing divisions of the apparel market. Consumer taste is evolving toward fashionable intimate wear, sports, wedding, and everyday inner wear items as a result of expanding female employment involvement and rising spending capacity. Additionally, the market development is being boosted by the growing use of organised retail channels.

(Source – IMARC Group)

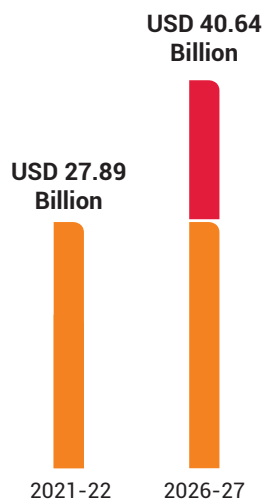


## INDIAN ACTIVEWEAR SEGMENT

The Sports Equipment and Apparel Market in India is projected to generate USD 27.89 Billion in revenue in 2022 and USD 40.64 Billion in revenue by 2027, increasing at a CAGR of 7.82%. The sportswear and athleisure categories, which are predicted to have extraordinarily rapid development, are riding high on the wave of customer desire and confidence. People are implementing wellness practises into their hectic schedules in an effort to live healthier lives as a result of rising disposable money and changing lifestyle choices. As a result, an increase in the number of people participating in sports has boosted awareness of activewear and its advantages, which is fuelling market growth.

## INDIAN SPORTS EQUIPMENT AND APPAREL MARKET

Market forecast to record a CAGR of 7.8%









(Source – Globalnewswire)








## GOVERNMENT INITIATIVES

The textile and apparel industry occupy essential socio-economic significance in the national manufacturing landscape as one of the largest employment-producing industries and a significant contributor to India's foreign earnings. The Government of India (GOI) has taken a number of actions to assist the sector recover from the damage caused by the pandemic due to its strategic importance to the economy.

-  The overall budget for the textile industry for the Union Budget 2022-23 was USD 1.62 Billion. Out of this, USD 17.5 Million is designated for the Textile Cluster Development Scheme, USD 13.07 Million is designated for the National Technical Textiles Mission, and USD 1.96 Million is designated for the PM Mega Integrated Textile Region and Apparel Parks Scheme
-  In October 2021, the Government authorised USD 594.26 Million for the establishment of seven integrated mega textile parks and an increase in domestic textile production under the PLI programme
-  The Indian textile industry has been opened to 100% FDI through automatic route
-  The Government launched a number of programmes, including the Mega Integrated Textile Region and Apparel (MITRA) Park initiative, the Technology Upgradation Fund Scheme (TUFS), and the Scheme for Integrated Textile Parks (SITP), in an effort to draw private equity (PE) and increase employment
-  The Government has made initiatives to enroll weavers/artisans on Government e-Marketplace (GeM), create a bigger market, and allow them to sell directly to various Government agencies and organisations in order to boost the handlooms and handicrafts sector
-  The Weavers MUDRA Scheme, which offers margin money assistance at 20% of the loan amount up to a maximum of ₹ 10,000 per weaver, was established to promote handloom weavers and weaver businesses. With a three-year credit guarantee, the loan is offered at a 6% interest rate

(Source – IBEF)

## GROWTH DRIVERS

-  India has a competitive edge over other major textile manufacturers in terms of trained labour and manufacturing costs
-  Basic materials including cotton, wool, silk, and jute are widely available
-  Domestic demand for the industry has been significantly influenced by growing population, rising per-capita income, evolving tastes and lifestyle
-  Rising exports demand for Indian textile industry globally
-  Increasing loans under Technological Upgradation Fund Scheme

(Source – IBEF)

## OPPORTUNITIES

**Growth Potential** - India's textile sector is expected to develop rapidly due to strong domestic and international demand. By 2026-27, it is anticipated that the textile and clothing sector would increase to USD 190 Billion. In October 2021, the Government has set a goal to increase India's textile exports by USD 100 Billion over the following five years. A faster rate of growth is anticipated as a result of urbanisation due to shifting fashion and trend lines.

**Increased FDI Investment** - Through promotional trips to nations like Japan, Germany, Italy, and France, the Government is taking steps to entice international investment in the textile sector. According to the updated national textile policy, the Government intends to draw in foreign capital and provide 35 Million people job prospects. Between April 2000 and December 2021, FDI inflow into the textiles sector, which includes dyed and printed material, stood at around USD 3.93 Billion. There are several prospects for ASEAN's ten-member nations' textile manufacturing businesses to invest in India, making it a potential one-stop sourcing location for ASEAN businesses.

**Increased global presence** - India has a less than 3% share of the global textile industry. This is a strong indication of the vast untapped market potential, which also presents local exporters with a significant opportunity and increased profitability. Indian manufacturers and exporters may position themselves uniquely to compete in these areas by achieving manufacturing excellence.

(Source – IBEF)



Value through values

## THREATS

**Price wars** - In order to manufacture textiles, a variety of toxic, non-biodegradable chemicals are used. As a result, the garment sector has been under increasing pressure to improve the business' environmental compliance efforts, which will eventually have an effect on the whole operation. Units in China and Europe have been shut down because of environmental concerns, which is leading to an increase in the price of fundamental raw materials in global markets, disrupting the supply chain. The difficulty of sourcing and supply is increasing with the rise in price.

**Inadequate Infrastructure** - Indian textile companies are less competitive than those in many other Asian nations due to low-quality infrastructure and expensive capital costs. Despite the Government's attempts to encourage investment, inefficient infrastructure leads to low reliability in meeting delivery dates, as well as high transaction costs, high interest rates, and a low level of FDI.

**Fragmented Unorganised Sector** - The unorganised sector, together with small and medium-sized businesses, dominate the extremely fragmented Indian textile industry. In comparison to Bangladesh, which is India's neighbour and has an average of 500 machines per factory, the average size of the clothing units in India is just 100 machines.

(Source – Indian Textile Sector 2022/23 – EMIS)

## COMPANY OVERVIEW

Sangam (India) Limited (SIL) is one of the leading producers of PV dyed yarn, cotton and OE yarn as well as ready-to-stitch fabric. The Company was incorporated in 1984 with just eight weaving machines and has expanded to have a presence in more than 58 nations, becoming a major brand in the textile industry. The Company is listed on Bombay Stock Exchange as well as National Stock Exchange.

Sangam is a vertically integrated textile player in India with an annual production of 48 Million metres of denim fabric and 35 Million metres of PV fabric. The Company has a highly structured manufacturing base with more than 2,63,000 spindles and 2,500 Open-End Rotors. The Company has also established a seamless garment production plant with 58 seamless knitting machines that can create 5.4 Million items annually.

We developed a renowned clientele backed by our depth of knowledge, high-quality product offerings, and excellent production capabilities. Our marquee client base includes Banswara Syntex, Siyaram, BSL, Vimal, RSWM Limited, Arvind Limited, Trident Limited, Marks & Spencer, Reliance Trends, Zivame, Myntra, Lifestyle International, Benetton and Westside, among others.

The Company's flagship brands include Sangam Suiting and Sangam Denim. Sangam Suitings operates through a distribution channel and has a pan-India network of 10,000 retailers.



## YARN DIVISION



**Location:** Biliya Kalan and Sareri (Bhilwara) and Soniyana (Chittorgarh) in Rajasthan

**Products:** PV-Dyed & Grey yarn, Cotton-spun, Open-ended & Indigo Rope Dyed yarn and Texturised yarn

**Capacities:** Biliya Kalan – 96,864 spindles, 3 Texturising Machines, and 1 Machine for Indigo Repo – Dyed Yarn  
Sareri – 1,39,680 Spindles, 2,568 open-end Rotos, and 22 Knitting Machine  
Soniyaana – 26,736 Spindles

**Contribution:** 52% of the total revenues of the Company

## FABRIC DIVISION (PV FABRICS)



**Location:** Atun, Bhilwara, Rajasthan

**Products:** PV fabrics and processed fabrics

**Capacities:** 229 Looms for Synthetic Fabric Weaving (Capacity 30 MMPA), Fabric Processing – 72 MMPA

**Contribution:** 19% of the total revenues of the Company

## SEAMLESS GARMENT DIVISION



**Location:** Atun, Bhilwara, Rajasthan

**Products:** Airwear, Active wear, Leisure wear, Intimate wear, Shape wear, and Casual wear

**Capacities:** 58 Seamless Garment Knitting Machines (Capacity 5 Million Pcs. PA), Garment processing – 511 MTPA

**Contribution:** 3% of the total revenues of the Company

## DENIM DIVISION



**Location:** Biliya Kalan, Bhilwara, Rajasthan

**Products:** Denim Fabric

**Capacities:** 5 Indigo Processing Lines with 295 Looms for Denim Fabric Weaving (Capacity 48 MMPA)

**Contribution:** 26% of the total revenues of the Company



Value through values

## COMPANY'S FOUNDATION

Particulars	As on 31 <sup>st</sup> March, 2020	As on 31 <sup>st</sup> March, 2021	As on 31 <sup>st</sup> March, 2022
Spindles (Nos.)	2,38,608	2,36,832	2,63,280
Open-End Rotors (Nos.)	2,376	2,376	2,568
Texturising Machines (Nos.)	3	3	3
Knitting Machines (Nos.)	22	22	22
Denim Fabric Processing Lines (Nos.)	5	5	5
Indigo Rope Dyeing Range (M/c Nos.)	1	1	1
Weaving Machines (No. of Looms)	524	524	524
Fabric Processing (MMPA)	72	72	72
Garment Processing (MTPA)	511	511	511
Seamless Garments Knitting Machines (Nos.)	39	44	58
Captive Coal-Based Thermal Power Plants (in MW)	31	31	16
Captive Solar Power Plants (in MW)	12.0	13.0	13.0
Wind Power Plants (in MW) at Jaisalmer	5	5	5

Parameter	Yarn	Fabric	Garments
Revenue Contribution (2021-22)	PV yarn: 34%	PV fabric: 16%	Garments: 3%
	Cotton yarn: 18%	Cotton fabric: 26%	
Geographic Presence (By revenue share)	Domestic: 64%	Domestic: 55%	Domestic: 100%
	Export: 36%	Export: 45%	
Market Position	The market share of coloured PV yarn in India is about 25%	Mid-size market share in the diversified fabric and denim market	Company is niche & established player in premium range of active & sports wear for woman in India. Company is also expanding capacity to increase product portfolio and reach among the consumers.
Customer	Manufacturers of synthetic and cotton fabric	Manufacturers of synthetic & denim garment and apparel	Shoppers
Demand Drivers	Captive consumption by the domestic synthetic shirting and suiting segment		Increasing affordability
	PV yarn is more affordable compared to cotton yarn because cotton yarn costs more to dye on a per-gram basis than PV yarn does		Rise in demand of sportswear due to increase in health consciousness
	Blended fabrics are becoming more popular than cotton fabrics as clothing because of their improved comfort (smoothness) and aesthetic (lustre and wrinkle) qualities		
	Jeans is a popular choice for daily wear		

C9 Airwear, Sangam's strategic endeavour, has a strong market position in the women's innerwear sector. The Company sells leisure wear, active wear, intimate apparel, and shapewear online at [www.c9airwear.com](http://www.c9airwear.com) and on third-party shopping sites including Myntra, Nykaa, Amazon, Flipkart, Ajo, and others. The annual manufacturing capacity of seamless garments is 50 Lakhs pieces, with options for a variety of high-quality fabrics made using cutting-edge technology.

## 2021-22 OPERATIONAL HIGHLIGHTS

- 📌 The Company has floated a 100% subsidiary - Sangam Lifestyle Ventures Limited, for the retail business, focusing on developing new and exclusive chain of stores under the C9 brand name
- 📌 The Company also authorised a ₹ 137.25 Crore brownfield growth plan in the cotton yarn segment and successfully closed a ₹ 102 Crore Term Loan with lenders. This project's COD is set in the month of April, 2022
- 📌 The Company's expansion project Phase-I Cotton yarn at Spinning Unit-II, Village Sareri Bhilwara has been substantially completed which has added a capacity of 10,500 metric tonnes making the total Cotton and PV yarn capacity 95,000 metric tons per annum. The commercial production and sales started in the month of April 2022
- 📌 The Company has successfully done the financial closure of expansion project Phase-II cotton yarn at Spinning Unit-II, Village Sareri Bhilwara from UCO Bank. With the additional installation of 32,832 spindles, the production capacity will increase by 10,500 metric tons per annum
- 📌 The Company has installed 3 Solar power plants of 13 MW that has helped us bring down carbon footprint by at least 20% per annum and 1 wind power plant at Jaisalmer (Rajasthan) with 5MW capacity. The Company also set up 3 ETPs (Effluent treatment plant) and 4 STPs (Sewage treatment plant) to reduce industrial water contamination and reclaim the water for favourable purposes
- 📌 The Company undertook foundation stone laying ceremony of the division's seamless expansion at Atun on 10<sup>th</sup> October, 2021
- 📌 The Company has signed a Memorandum of Understanding (MoU) with the Department of Industries Commerce, Government of Rajasthan, by its newly formed wholly owned subsidiary Sangam Venture Limited. The MoU aims at an investment to the extent of ₹ 1,521 Crore from Sangam and wholly owned subsidiary Sangam Ventures Limited to setup multiple manufacturing units focussing on spinning, weaving, garments, knitting and processing over 100 acres of land in Bhilwara district of Rajasthan



## FINANCIAL PERFORMANCE

The total revenue earned by the Company during the 2021-22 was ₹ 24.45 Billion demonstrating a growth of 79 % year-on-year. The earnings before interest and tax during the year was ₹ 1.97 Billion and net profit for the year was ₹ 1.40 Billion.

## KEY FINANCIAL RATIOS

Particulars	2020-21	2021-22	% Change
<b>Key Financial Ratios</b>			
Debt Equity Ratio	1.05	1.06	0.95%
Interest Coverage Ratio	2.71	6.59	143.17%
<b>Liquidity Ratios</b>			
Current Ratio (incl. current maturities of long-term debt)	1.33	1.20	-9.77%
Current Ratio (excl. current maturities of long-term debt)	1.53	1.29	-15.69%
Debtors Turnover (no. of days)	82	56	- 31.71%
Inventory Turnover Ratio (no. of days)	103	79	-23.30%
<b>Profitability Ratios</b>			
Operating Profit Margin	9.47%	12.88%	36%
Net Profit Margin	0.40%	5.76%	1,340%
Return on Net Worth	0.96%	16.68%	1,637.5%



## RISKS

The Company's processes for risk identification, assessment, mitigation, and reporting are supported by an effective framework for risk management. The risk management committee of the Company identifies, assesses, and develops a plan for reducing risks.

## INTERNAL CONTROL SYSTEM

The Company maintains appropriate and effective internal control systems in proportion to the business' size and complexity. In our opinion, these systems offer, among other things, a fair guarantee that transactions are carried out with management authorisation. These have been implemented at every level and are meant to ensure compliance with statutory and regulatory requirements for internal controls, as well as the accurate recording of financial and operational data. The permissible compilation of financial accounts in accordance with generally accepted accounting standards is also ensured, as is the sufficient protection of the Company's assets from major misappropriation or loss. A crucial component of the Company's internal control system is an independent internal audit function. In addition to this the Company also has a robust internal audit programme and regular reviews by Management and the Board's Audit Committee.

## HUMAN RESOURCE

The level of employee satisfaction affects an organisation's success. The Company constantly emphasises how important it is to hire a diverse workforce and how much it values each employee's contributions. We believe our intellectual capital to be the business' most valuable asset, and losing it would have a significant negative impact on our performance. The Company's overarching goal is to attract and retain competent employees while also providing a fulfilling workplace that is safe, welcoming, and supportive of career progress. During the year under review, the Company expanded on a variety of projects to improve current HR systems and procedures, as well as to create new tools to improve the employee experience in terms of leadership and succession, performance and recognition, development, engagement, and employer branding. Sangam designed a systematic learning and development process for our employees which would serve as tools for their lifelong learning and skill upgradation. At the end of March 2022, there were about 12,000 people working for the Group.



## CAUTIONARY STATEMENT

Statements made in this Management Discussion and Analysis Report may contain certain forward-looking statements based on various assumptions on the Company's present and future business strategies and the environment in which we operate. Actual results may differ substantially or materially from those expressed or implied due to risk and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and abroad, volatility in interest rates and in the

securities market, new regulations and Government policies that may impact the Company's businesses as well as the ability to implement its strategies. The information contained herein is as of the date referenced and the Company does not undertake any obligation to update these statements. The Company has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed.





# BOARD'S REPORT

To the Members

Your Directors have pleasure in presenting their 36th Annual Report on the affairs of the Company, along with the Audited Standalone and Consolidated Financial Statements for the financial year ended 31st March, 2022.

## FINANCIAL RESULTS

The highlights of the Company's financial performance, for the year ended 31st March, 2022 is summarized below:

(₹ in Crores)

Particulars	Standalone		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations	2437.76	1353.55	2437.76	1358.97
Profit before Tax & Depreciation	254.71	83.95	254.43	82.56
Depreciation	70.34	80.52	70.34	80.58
Profit before Tax	184.37	3.43	184.09	1.98
<b>Tax Expense</b>				
Current Tax	53.04	7.24	53.04	7.24
Deferred Tax	(13.89)	(2.72)	(13.89)	(3.00)
Tax Expense for Earlier Years	4.29	(6.47)	4.29	(6.47)
Profit for the year	140.22	5.38	139.94	4.21

## OPERATIONAL RESULTS AND STATE OF AFFAIRS

SANGAM has improve the performance of your company both in terms of Revenue & Profitability. The Company's Revenue from Operations during 2021-22 is higher at ₹ 2,437.76 Crores as against ₹ 1,353.55 Crores during previous year, giving a rise of 80%.

There is a quantum jump in Net Profit. The Net Profit after tax of the Company is ₹ 140.22 Crores in the current year as against ₹ 5.38 Crores in previous year, having a rise by ₹ 134.84 Crores.

The Consolidated Revenue from Operations during 2021-22 is higher at ₹ 2437.76 Crores as against ₹ 1358.97 Crores during previous year, giving a rise of 79.38%. The Net Profit after tax of the Company is ₹ 139.94 Crores in the current year as against ₹ 4.21 Crores in previous year, having a rise by ₹ 135.73 Crores.

During the year, the Company's had export revenue of ₹ 921.35 Crores as against ₹ 422.90 Crores in previous year. The exports constituted about 38 % of the total revenue of the Company.

## EXPANSION PROGRAMME

### SPINNING DIVISION

The Company's expansion projects phase I for installation of 32832 spindles for manufacturing of Cotton yarn at Spinning

Unit-II, Village Sareri Bhilwara (Raj.) has been substantially completed. The commercial production and sales is started in the month of April, 2022 successfully. The production capacity of expansion projects phase I is 10,500 metric tons per annum and that will add total capacity of the Cotton and PV yarn will be 95,000 metric tons per annum.

The Company has successfully done the financial closure of expansion project phase II for manufacturing of cotton yarn at Spinning Unit-II, Village Sareri Bhilwara (Raj.) from UCO Bank. The production capacity of expansion projects phase II for Installation of 32832 spindles is 10,500 metric tons per annum.

### GARMENT DIVISION

The Company has obtained approval of PLI scheme from Ministry of textile and Sangam Ventures Ltd. (a wholly owned subsidiary company) has successfully done financial closure of expansion project Garments from Canara Bank. The Company is installing 106 Circular Knitting Machines for manufacturing of Seamless Garments and expected revenue is ₹ 200.00 crore per annum.

### TRANSFER TO RESERVE

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



## BOARD'S REPORT (Contd.)

### DIVIDEND

The Board of Directors is pleased to recommend a dividend of ₹ 2 per Equity Share of the face value of ₹ 10/- each (@20%) for the Financial Year 2021-22 aggregating to ₹ 8.68 Crores, subject to the approval of the shareholders at the ensuing Annual General Meeting.

### SHARE CAPITAL

The paid-up share capital of your company is ₹ 4,342.15 Lakhs during the year under review. The Board of Director of the Company, in its meeting held on 13th December, 2021, has allotted 57,00,000 warrants at a price of Rs. 180/- convertible into similar number of equity shares of ₹ 10/- each to Investor, Promoters and Promoter(s) group of the Company on preferential basis.

### WHOLLY OWNED SUBSIDIARY COMPANY

During the year, Sangam Venture Limited ("SVL") was incorporated on 3rd December, 2021 as a Wholly Owned Subsidiary of the company. It shall setup a world class plant for seamless garments. The product range will comprise of garments in various blends such as polyamide, spandex, polypropylene and natural fibres.

In accordance with Section 129(3) of the Companies Act, 2013 ("Act"), the company has prepared a Consolidated Financial Statements of the company and its subsidiary, which is forming part of the Annual Report. In accordance with Section 136 of the Companies Act, 2013, the Audited Financial Statements and related information of the company and its subsidiary, wherever applicable, are available on the company's website [www.sangamgroup.com](http://www.sangamgroup.com). These are also available for inspection during regular business hours at our registered office at Bhilwara, (Raj.)

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

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

### AMALGAMATION

Your Directors in their previous report had informed the members about the Scheme of Amalgamation between Sangam (India) Limited and Sangam Lifestyle Ventures

Limited a wholly owned subsidiary of your Company. Your Directors informed the members that your Company obtained all the regulatory approvals as well as the approval of Shareholders and Creditors of the Company during the period under review.

Your Directors gladly inform the members that the Hon'ble National Company Law Tribunal ("NCLT"), Jaipur Bench vide their order No Sr. No. 50/2022 dated 11th March, 2022 approved the Scheme of Amalgamation and upon necessary filing with the Registrar of Companies on 30th March, 2022, the scheme has become effective and the effect thereof has been given in the accounts.

### CONSOLIDATED FINANCIAL STATEMENTS

As stipulated by Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Listing Regulations, the Company has prepared Consolidated Financial Statement in accordance with the applicable accounting standards as prescribed under the Companies (Accounts) Rules, 2014 of the Companies Act, 2013. The Consolidated Financial Statement reflects the results of the Company and that of its subsidiary. As required under Regulation 34 of the Listing Regulations, the Audited Consolidated Financial Statement together with the Independent Auditors' Report thereon is annexed and forms part of this Report.

### UNCLAIMED DIVIDEND AND SHARES

In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the amount of dividend remained unclaimed or unpaid for a period of seven years from the date of transfer to the Un-paid dividend account is required to be transferred to the IEPF, maintained by the Central Government. In pursuance of this section, the dividend remained unclaimed or unpaid in respect of dividend declared for the financial year ended 31st March, 2014 have been transferred to the IEPF. The details of the unclaimed dividends so transferred are available on the Company's website <https://www.sangamgroup.com/investorhandbook.php>

In accordance with Section 124(6) of the Companies Act, 2013 read with the IEPF Rules, all the shares in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more are required to be transferred to the demat Account of the IEPF Authority. Accordingly, shares

## BOARD'S REPORT (Contd.)

were transferred in the name of Investor Education and Protection Fund in respect of the dividend remaining unpaid for seven consecutive years from the Financial Year 2013-14. The Company had sent notices to all such members in this regard and published a newspaper advertisement and thereafter transferred the shares to the IEPF during financial year 2021-22. The details of such shares transferred have been uploaded in the Company's website <https://www.sangamgroup.com/investorhandbook.php>

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

### **PUBLIC DEPOSITS**

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

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

Particulars of loans given, investments made, guarantees given and securities covered under section 186 of the Companies Act, 2013 form part of the notes to the Standalone Financial Statements of the company.

### **PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All related party transactions that were entered into during the financial year were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the SEBI (LODR) Regulations. There are no material significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons and their relatives which may have a potential conflict with the interest of the Company at large. Particulars of contracts or arrangements with related parties referred to Section 188(1) of the Act, in the prescribed form AOC-2 is annexed to the Board's Report as Annexure II.

All related party transactions entered into during the financial year were placed before the Audit Committee and the Board of Directors for their review and approval. Prior omnibus approval of the Audit Committee is obtained on an annual basis for the transactions which are repetitive in nature and omnibus approvals are taken as per the policy laid down for unforeseen transactions. Related party transactions entered into pursuant to the omnibus approval so granted are placed

before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. There were no material subsidiary companies as define in Regulation 16(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Related party transactions entered during the financial year under review are disclosed in Notes to the financial statements of the Company for the financial year ended 31st March, 2022.

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

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board of Directors consists of 8 (Eight) members, of which 4 (Four) are Independent Directors. The Board also comprises of one woman Independent Director.

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

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

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

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

The Nomination and Remuneration Policy had been in place for the appointment of Directors and Senior Management and fixation of their remuneration. The Nomination and



## BOARD'S REPORT (Contd.)

Remuneration Committee as well your Directors endeavour to follow the policy and all appointments at Board and Senior Management are considered at the meetings of the Committee and the Board. The Nomination and Remuneration Policy of the Company for Directors, KMPs and other employees including criteria for determining qualifications, positive attributes, independence of a Director, remuneration and other matters provided under sub-section (3) of section 178, is available on the Company's website at the <http://www.sangamgroup.com/financials/Policies/Remuneration%20Policy.pdf>

### BOARD OF DIRECTORS AND MEETINGS

The members of the Company's Board of Directors are eminent persons of proven competence and integrity. Besides experience, strong financial acumen, strategic astuteness and leadership qualities, they have a significant degree of commitment towards the Company and devote adequate time to the meetings and preparation for attending the meetings. The Board/committee meetings are prescheduled and a tentative annual calendar of the Board and Committee meetings is circulated to the Directors well in advance to help them plan their schedule and ensure meaningful participation in the meetings.

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

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

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

### SECRETARIAL STANDARDS

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

### AUDIT COMMITTEE

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

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

### MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THIS REPORT

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

### FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

Your Company has formulated familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model of the company etc. The details of such familiarization programme is available on the website of the Company at the weblink: <http://www.sangamgroup.com/financials/Policies/FP%20Policy.pdf>

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company had always been following its core philosophy of serving the society ever since its inception. Your Company endeavours to be involved in whole gamut of activities such as sanitation and safe drinking water, promoting education, empowering women, ensuring environmental sustainability and promoting sports etc. Apart from activities as above, your Company supports all other activities in the nearby localities by means of donations and other contributions.

## BOARD'S REPORT (Contd.)

Pursuant to Section 135 of the Act, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee to formulate and recommend to the Board a Corporate Social Responsibility (CSR) policy which shall indicate the activities to be undertaken by the Company, as specified in Schedule VII of the Act, to recommend the amount of expenditure to be incurred on the activities and to monitor the CSR policy of the Company from time to time. As per Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Policy is available on the website of the Company at weblink: <http://www.sangamgroup.com/financials/Policies/CSR%20Policy.pdf>

During the financial year 2021-22, the Company has spent ₹ 89.49 Lakhs on CSR activities. The details of the CSR spend by the Company is annexed as Annexure III forming part of this report.

### RISK MANAGEMENT POLICY

The Risk Management policy is formulated and implemented by the Company in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy aimed at creating and protecting shareholders value by minimizing threats and losses and identifying and maximizing opportunities. The risk management policy defines the risk management approach across the enterprise at various levels, including documentation and reporting.

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

### EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES AND OF DIRECTORS

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by the Listing Regulations. The performance of the Board as a whole, Committees and individual Directors was evaluated by seeking inputs from all Directors based on certain parameters.

At the separate Meeting of Independent Directors, performance of Non-independent directors, including Chairman, Board as a whole was discussed. The performance of the individual Directors, including Independent Directors, performance and role of the Board/Committees was also discussed at the Board Meeting.

### INTERNAL FINANCIAL CONTROL

The Board of Directors feel that adequate control systems are the backbone of any Company. The Directors endeavour to place adequate control systems commensurating with the size of the Company to ensure that all assets are properly safeguarded and that all the information provided to the management is reliable and also the obligations of the Company are properly adhered. The Directors inform the members that in pursuit of strengthening internal control systems, your Company has put in place a system whereby all areas of the operations of the Company are reviewed by the internal as well as external professionals and independent audit firms. Your Company takes adequate measures with respect to gaps, if any, reported. The Audit Committee of your Company regularly monitors the annual operating plans, risk assessment and minimisation procedures as well as mitigation plans. Your Directors endeavour to continuously improve and monitor the internal control systems.

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

### WHISTLE BLOWER POLICY / VIGIL MECHANISM

Pursuant to Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 read with Section 177(9) of the Act and as per Regulation 22 of the Listing Regulations (as amended from time to time), the Company has framed Vigil Mechanism/Whistle Blower Policy ("Policy") to enable Directors and employees to report genuine concerns or grievances, significant deviations from key management policies and reports on any non-compliance and wrong practices, e.g., unethical behavior, fraud, violation of law, inappropriate behavior/conduct, etc.

The functioning of the Vigil Mechanism is reviewed by the Audit Committee from time to time. None of the Directors or employees have been denied access to the Audit Committee of the Board.

The objective of this mechanism is to maintain a redressal system that can process all complaints concerning questionable accounting practices, internal controls, or fraudulent reporting of financial information.

The Policy framed by the Company is in compliance with the requirements of the Act and the Listing Regulations



## BOARD'S REPORT (Contd.)

and is available on the website of the Company at the <http://www.sangamgroup.com/financials/Policies/Whistle%20Blower%20Policy.pdf>

### CORPORATE GOVERNANCE REPORT

Your Company is committed to maintain the highest standards of Corporate Governance and adheres to the stipulations set out in the Listing Regulation and have implemented all the prescribed requirements. A Corporate Governance Report and Certificate from practicing company secretaries confirming compliance of conditions as required by Regulation 34(3) read with Part E of Schedule V of the Listing Regulations form part of this Board's Report.

### CODE OF CONDUCT

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

### STATUTORY AUDITORS

Under Section 139 of the Companies Act, 2013 and the rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the said section. The audit committee of the Company has proposed, and on 30th May, 2022 the Board of the Company has recommended the appointment of M/s R. Kabra & Co. LLP Chartered Accountants (FRN: 104502W/W100721) in place of M/s. Rajendra & Co., Chartered Accountants (FRN:108355W) for a first term and M/s O.P. Dad & Co., Chartered Accountants (FRN: 000294C) as the Statutory Auditors of the Company, will hold office for second term from the conclusion of this 36th Annual General Meeting of the Company till the conclusion of the 41st Annual General Meeting to be held in the year 2027 (subject to ratification of their appointment at every AGM to be held after 36th AGM).

### AUDITORS' REPORT

As regards Auditors observations, the relevant notes on account are self-explanatory and therefore, do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

### COST AUDITORS

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of Cost Records every year. The Board after considering the recommendations of its Audit

Committee has appointed M/s K.G. Goyal & Company, Cost Accountants, Jaipur (Firm Registration No. 000017) as cost auditors for the financial year 2022-23 and appropriate resolutions in this connection has been included in the notice calling the ensuing annual general meeting of the Company for approval of the remuneration of the Cost Auditors.

### COST RECORDS

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

### SECRETARIAL AUDITOR REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, M/s. B K Sharma and Associates, Company Secretaries was appointed as Secretarial Auditors to conduct secretarial audit of the company for the financial year 2021-22. The Secretarial Audit Report for the financial year 2021-22 is attached as Annexure-IV. The observations in the report are self-explanatory and therefore, do not call for any further comments.

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

The Company is an equal opportunity employer and believes in providing opportunity and key positions to women professionals. The Group has endeavoured to encourage women professionals by creating proper policies to tackle issues relating to safe and proper working conditions, and create and maintain a healthy and conducive work environment that is free from discrimination. This includes discrimination on any basis, including gender, as well as any form of sexual harassment. The Company has complied with the applicable provisions of the aforesaid Act and the Rules framed thereunder, including constitution of the Internal Complaints Committee (ICC). The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, no complaint was received.

### PARTICULARS OF REMUNERATION OF DIRECTORS/ KMP/ EMPLOYEES

Statement showing disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial

## BOARD'S REPORT (Contd.)

Personnel) Rules, 2014 is enclosed as Annexure-V to the Board's Report.

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

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is enclosed herewith as Annexure-VI to the Board's Report.

### **GENERAL DISCLOSURES**

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

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

### **DIRECTORS RESPONSIBILITY STATEMENT**

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

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2022 and of the profit of the Company for the

year ended on that date;

3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. They have prepared the annual accounts of the company for the year ended on 31st March, 2022 on a going concern' basis.
5. They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were generally operating effectively; and
6. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

### **ANNUAL RETURN**

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

### **ACKNOWLEDGEMENT**

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

**For and on Behalf of the Board of Directors**

**R.P. Soni**

Chairman

Place: Bhilwara  
Date: 30th May, 2022

(DIN : 00401439)



Value through values

# ANNEXURE-I

## FORM AOC-1

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

### PART "A": SUBSIDIARIES

(₹ in Lakhs)

Sr. No.	Particulars	Description
1.	Name of the subsidiary	Sangam Ventures Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March, 2022
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
4.	Share capital	770
5.	Reserve & Surplus	(28)
6.	Total assets	1350
7.	Total Liabilities	608
8.	Investments	-
9.	Turnover	-
10.	Profit before taxation	(28)
11.	Provision for taxation	-
12.	Profit after taxation	(28)
13.	Proposed Dividend	-
14.	% of shareholding	100%

#### Note

- Names of Subsidiaries which are yet to commence operations. – Sangam Ventures Limited
- Names of Subsidiaries which have been liquidated or sold during the year – Sangam Lifestyle Ventures Limited (merged with Sangam (India) Limited vide order of the Hon'ble NCLT, Jaipur Bench dated 11.03.2022).

#### For and on behalf of the Board

**(R.P. Soni)**Chairman  
(DIN: 00401439)**(Dr. S.N. Modani)**Managing Director & CEO  
(DIN 00401498)**(V.K. Sodani)**Executive Director  
(DIN 00403740)**(Anurag Soni)**Director & Chief Financial Officer  
(DIN 03407094)

Place: Bhilwara

Date: 30th May, 2022



# ANNEXURE-II

## FORM NO. AOC- 2

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

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

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

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

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

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

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

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

Date: 30th May, 2022  
Place: Bhilwara



Value through values

## ANNEXURE-III

Format for the Annual Report on CSR Activities for Financial Year commencing after 1st Day of April, 2021

### ANNUAL REPORT ON CSR ACTIVITIES

#### 1. BRIEF OUTLINE OF THE COMPANY'S CSR POLICY

The CSR initiatives undertaken by your Company upholds the principles of a responsible corporate citizen. Your company intends to actively contribute to the social and economic development of the communities in which it operate by participating actively in building a better, sustainable way of life for the weaker sections of society and raise the country's human development index. The focus areas of the Company under its CSR programme are promoting of education, Eradicating hunger, poverty and malnutrition, rural development, sanitation and environment and any other projects as defined in Schedule VII of the Companies Act, 2013.

#### 2. COMPOSITION OF CSR COMMITTEE

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

- The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <http://www.sangamgroup.com/financials/Policies/CSR%20Policy.pdf>
- The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any- Not Applicable

#### 6. AVERAGE NET PROFIT

The Average Net Profit of the Company for last three financial years is ₹ 1658.38 Lakhs.

- (a) Two percent of average net profit of the company as per section 135(5): - 33.17 Lakhs  
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: - Nil  
(c) Amount required to be set off for the financial year :- Not Applicable  
(d) Total CSR obligation for the financial year (7a+7b-7c) :- 33.17 Lakhs
- (a) Details of CSR spent or Unspent for the financial year

(₹ In Lakhs)

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

**ANNEXURE-III (Contd.)**

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

(₹ in Lakhs)

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

**Not Applicable**

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

(₹ in Lakhs)

S. No.	Name of the Projects	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Projects		Amount spent for the projects (₹ in Lakhs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	Contribution to Covid-19 Pandemic Management, Bhilwara (Raj.), Contribution to covid-19 affected people and families including vaccination of persons free of charge, awareness, campaigns/programmes/public outreach programmes on covid-19 vaccination activities	Promoting Health Care including preventive health care	Yes	Rajasthan and Maharashtra	Bhilwara and Mumbai	37.50	Yes	Direct and through ABMM Maheshwari Relief Foundation	CSR00001475
2.	Provide Scholarship to the meritorious and poor student, Contribution to rehabilitation of vocational training for disabled mute deaf and visually impaired children, Contribution for construction of class rooms of the Govt. School at Naksanpura Dist. Chittorgarh	Promoting education	Yes	Rajasthan	Bhilwara and Chittorgarh	22.2	Yes	Direct and through - M/s Badrilal Soni Charitable Trust and Badhir Bal Kalyan Vikas Samiti	CSR00002112 CSR00007249
3.	Supply of food to poor and indigent people, children etc. and other deprived sections of the society	Eradicating hunger, poverty and malnutrition	Yes	Rajasthan	Bhilwara	10.54	No	M/s Kesarbai Soni Charitable Trust	CSR00002118
4.	Contribution for maintenance of Simrithi Van Park, Bhilwara (Raj.)	Ensuring environment sustainability	Yes	Rajasthan	Bhilwara	9.80	No	M/s Badrilal Soni Charitable Trust	CSR00002112
5.	Contribution to lighting and high mask light facility at village Soniyana Distt. Chittorgarh (Raj.)	Rural Development	Yes	Rajasthan	Chittorgarh	5.00	Yes	N.A.	N.A.

## ANNEXURE-III (Contd.)

(₹ in Lakhs)

S. No.	Name of the Projects	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Projects		Amount spent for the projects (₹ in Lakhs)	Mode of Implementation Direct (Yes/No) Name	Mode of Implementation Through Implementing Agency	
				State	District			Name	CSR Registration number
6.	Contribution for purchase and construction of Girls hostel property	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans	No	New Delhi	New Delhi	3.00	Yes	N.A.	N.A.
7.	Motivation of Sports/ Games in the society	Promoting Sports	Yes	Rajasthan	Bhilwara	1.21	Yes	N.A.	N.A.
8.	Supply drinking water at Village Guwardi, Dist Bhilwara	Sanitation and making available safe drinking water	Yes	Rajasthan	Bhilwara	0.24	Yes	N.A.	N.A.
<b>Total</b>						<b>89.49</b>			

- (d) Amount spent in Administrative Overheads : Nil
- (e) Amount spent on Impact Assessment, if applicable : N.A.
- (f) Total amount spent for the financial year (8b+8c+8d+8e) : ₹ 89.49 Lakhs
- (g) Excess amount for set off, if any : N.A.

Sr. No.	Particulars	Amount (₹ In Lakhs)
1.	Two percent of average net profit of the company as per section 135(5)	33.17
2.	Total amount spent for the Financial Year	89.49
3.	Excess amount spent for the financial year [(ii)-(i)]	56.32
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	56.32

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

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

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

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

**ANNEXURE-III (Contd.)**

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

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

- 11.** Specify the reason(s), if the company has failed to spend two percent of the average net profit as per Section 135(5) – Not Applicable
- 12.** In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report: Not Applicable
- 13.** The CSR committee confirms that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company.

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

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

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

Date: 30th May, 2022  
Place: Bhilwara



# ANNEXURE-IV

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

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

To  
The Members

### **SANGAM (INDIA) LIMITED**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SANGAM (INDIA) LIMITED** (hereinafter referred as "the Company") for the financial year ended March 31, 2022 ("period under review"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representative during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the period under review, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms, returns filed and other records maintained by the Company for the period under review according to the provisions of applicable law provided hereunder:

1. The Companies Act, 2013 (the Act) and the rules made thereunder and re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECBs); There was no FDI, ODI and ECBs during the period under review.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable:-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; Not applicable to the Company during the period under review.
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; Not applicable to the Company during the period under review.
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not applicable to the Company during the period under review.
  - (h) The Securities and Exchange Board of India (Buy Back of securities) Regulations, 2018; Not applicable to the Company during the period under review.
  - (i) The SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
  - (j) Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018.
6. Specific laws applicable to the industry to which the Company belongs, as identified and compliance whereof as confirmed by the management, that is to say: No specific law is applicable to the Company.

## ANNEXURE-IV (Contd.)

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

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

We further report that:-

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and other applicable laws.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions of the Board and Committees were carried with requisite majority.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that –

- i. The Company has approved issue of 57,00,000 Warrants at a price of ₹ 180/- per warrant aggregating to ₹ 102.60 Crore to the Investor, Promoter(s) and Promoter(s) Group entities on preferential basis in the Extra-Ordinary General Meeting ('EGM') held on November 13, 2021.

The Company has allotted these 57,00,000 Warrants to the Investor, Promoter(s) and Promoter(s) Group entities on December 13, 2021. Each warrant shall be convertible into, 1 (one) fully paid-up Equity Share of the Company having face value of ₹ 10/- each (Rupee Ten Only) within a period of 18 months as per SEBI (ICDR) Regulations, 2018.

- ii. The Company has incorporated a wholly owned Subsidiary Company namely Sangam Ventures Limited on December 3, 2021.
- iii. Pursuant to the Order of the National Company Law Tribunal, Jaipur Bench dated April 1, 2021 under Section 230 to 232 of the Companies Act, 2013, meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of Sangam (India) Limited was held on Saturday, May 22, 2021 for approval of the Scheme of Merger/Amalgamation of Sangam Lifestyle Venture Limited (the wholly owned Subsidiary) with the Company. The scheme was approved by the Shareholders.
- iv. The wholly owned subsidiary of the Company M/s. Sangam Lifestyle Ventures Limited has been merged with the Company vide the order of the Hon"ble National Company Law Tribunal (NCLT), Jaipur Bench dated March 11, 2022 which has approved the Scheme of Amalgamation of the wholly owned subsidiary Company Sangam Lifestyle Venture Limited with Sangam (India) Limited.

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

### For B K Sharma and Associates

Company Secretaries  
Unique Code: S2013RJ233500

### (Brij Kishore Sharma)

Proprietor  
Membership No. : FCS - 6206  
CP No.: 12636  
Peer Review Certificate No.: 1172/2021  
UDIN: F006206D000434997

Place: Jaipur  
Date: 30th May, 2022



Value through values

## 'Annexure A'

To,  
The Members

### **SANGAM (INDIA) LIMITED**

Our Secretarial Audit Report of even date is to be read along with this letter.

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

### **For B K Sharma and Associates**

Company Secretaries  
Unique Code: S2013RJ233500

### **(Brij Kishore Sharma)**

Proprietor  
Membership No.: FCS - 6206  
CP No.: 12636  
Peer Review Certificate No.: 1172/2021  
UDIN: F006206D000434997

Place: Jaipur  
Date: 30th May, 2022



## ANNEXURE-V

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

1. The percentage increase in remuneration of each Director, Key Managerial Personnel (KMP) during the financial year 2021-2022, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-2022 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are given hereunder:

Sr. No.	Name of Director	Designation	Remuneration of Director/KMP (₹ in Lakhs)	Percentage increase/decrease in remuneration	Ratio of remuneration of Director to median remuneration of employees
1.	Shri R.P. Soni	Chairman	550.14	165.61%	404.51
2.	Dr. S.N. Modani	Managing Director & CEO	383.52	204.43%	282.00
3.	Shri V. K. Sodani	Executive Director	136.54	77.72%	100.40
4.	Shri Anurag Soni	Director & CFO	283.01	504.33%	208.09
5.	Shri Achintya Karati	Independent Director	5.35	-	3.93
6.	Shri T. K. Mukhopadhyay	Independent Director	5.35	-	3.93
7.	Smt. Jyoti Sharma	Independent Director	2.75	22.22%	2.02
8.	Shri Yaduvendra Mathur	Independent Director	4.10	-	-
9.	Shri A.K. Jain	Company Secretary	8.05	28.18%	5.92

2. The median remuneration of employees of the Company during the financial year was ₹ 1,36,002.
3. Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration:  
There was no increase in average percentage in the salaries of employees other than the managerial personnel for the year 2021-22.
4. No employee has received remuneration in excess of highest paid Director of the Company during the financial year 2021-22.
5. It is hereby affirmed that the remuneration paid as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

## ANNEXURE-VI

### CONSERVATION OF ENERGY

- (i) Energy Conservation measures taken
1. Replacement of Transformer, VCB & CT-PT
  2. Replacement of 70W Flame Proof Light by 40W Flame Proof LED (26Nos)
  3. 200KVA PWM Line Conditioner Installed (2 Nos)
  4. Rexroth Drive Replaced by 18.5KW VFD (2 Nos)
  5. Soft Starter Replaced by 11KW VFD (4 Nos)
  6. Replacement of old motors with energy efficient motors
  7. Speed optimization in R/F suction fan motor through Inverter for Energy Saving.
  8. Replacement/Conversion of existing FTL by LED light.
  9. Auto Coner Machine Speed Optimization in suction fan motor for Energy Saving.
  10. Installing of inverter on supply and return air fan motor at H-Plant for Energy saving
  11. Proper filter Cleaning & Screw Check of Air compressors
  12. Close loop WCS drive with Suction Pressure
  13. Attending air leakage at weaving looms at Denim Plant
  14. Optimizing Auto corner suction blower Frequency with Pressure Transducer
  15. Installed Steam Shut off Valve at Steam Driers
- (ii) The steps taken by the Company for utilizing alternate sources of energy
- The Company has installed Total 13 MW roof top solar power plant at various units of the Company. Company also have co-generation thermal power plant to meet the power and steam requirement.
- (iii) The capital investment on energy conservation equipments;

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

### TECHNOLOGY ABSORPTION

- (i) The efforts made towards technology absorption;
- The company has installed "ZLD" ETP plants. The company has developed variety of slub, fancy yarns and gridnle yarn. Varieties of seamless garments have been developed.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution;
- Technological up gradation of various machineries has improved the product quality, reduction in customer complaints, cost reduction, manpower engagement and energy savings.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -
- N.A.
- (iv) The expenditure incurred on Research and Development
- The company has incurred more than 5.00 Cr. research and development during the year.

### FOREIGN EXCHANGE EARNING AND OUTGO

Particulars	₹ in Crores)	
	31st March, 2022	31st March, 2021
a) Total Foreign Exchange used	77.45	41.64
b) Earning in Foreign Exchange	863.99	411.08

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

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

Date: 30th May, 2022  
Place: Bhilwara

# CORPORATE GOVERNANCE REPORT

Your Directors present the Company's Report on Corporate Governance for the year ended on 31st March 2022.

## COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

In keeping with its commitment to the principles of good corporate governance, which it has always believed leads to efficiency and excellence in the operations of a Company, your Company has been upholding fair and ethical business and corporate practices and transparency in its dealings. The Company continuously endeavors to review, strengthen and upgrade its systems and processes so as to bring in transparency and efficiency in its various business segments.

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

## BOARD OF DIRECTORS

The Board of Directors of the Company are in a fiduciary position, empowered to oversee the management functions

with a view to ensuring its effectiveness and enhancement of shareholder value. The Board also provides strategic direction, reviews and approves management's business objectives, plans and oversees risk management.

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013 (hereinafter referred to as "Act"). The Board of Directors has an optimum combination of Executive, Non-Executive and Independent Directors. As on 31st March, 2022, the Company has Eight Directors. Out of which, four are Promoters and Executive Directors and four Independent Non-Executive Directors. All Directors possess relevant qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to effectively contribute to the Company in their capacity as Directors.

## COMPOSITION

Composition of the Board of Directors of the Company as on 31st March 2022 was as under with details of other directorships and committee chairmanship and memberships: -

Name	Category of Director	No. of other Directorship and Committee Chairmanship and Memberships in other Public Company			List of Directorship held in Other Listed Companies and Category of Directorship
		Other Directorships	Chairman of the Committee	Member of the Committee	
Mr. R.P. Soni (DIN: 00401439)	Promoter Executive	Four	Nil	Nil	Nil
Dr. S.N. Modani (DIN: 00401498)	Promoter Executive	Nil	Nil	Nil	Nil
Mr. Anurag Soni (DIN: 03407094)	Promoter Executive	Four	Nil	Nil	Nil
Mr. V.K. Sodani (DIN: 00403740)	Promoter Executive	Three	Nil	Two	<ul style="list-style-type: none"> <li>Suchitra Finance &amp; Trading Co Limited (Non-Executive Director)</li> </ul>
Mr. Achintya Karati (DIN: 00024412)	Independent Non-executive	Four	Two	Three	<ul style="list-style-type: none"> <li>Jay Bharat Maruti Limited (Independent Director)</li> <li>Delton Cables Limited (Independent Director)</li> <li>Uflex Limited (Independent Director)</li> </ul>
Mr. T.K. Mukhopadhyay (DIN: 00239251)	Independent Non-executive	One	Nil	Nil	Nil



Value through values

## CORPORATE GOVERNANCE REPORT (Contd.)

Name	Category of Director	No. of other Directorship and Committee Chairmanship and Memberships in other Public Company			List of Directorship held in Other Listed Companies and Category of Directorship
		Other Directorships	Chairman of the Committee	Member of the Committee	
Smt. Jyoti Sharma (DIN:08741591)	Independent Non - executive	Nil	Nil	Nil	Nil
Mr. Yaduvendra Mathur (DIN: 00307650)	Independent Non - executive	One	Nil	Nil	Nil

**Notes:**

1. Other Company directorship excluding foreign companies and companies under Section 8 of the Act, alternate directorship and trust.
2. Only Audit Committee and Stakeholders Relationship Committee have been considered as per Regulation 26 of the Listing Regulations.
3. Mr. Anurag Soni, Dr. S. N. Modani, Shri V. K. Sodani and Mr. R. P. Soni are related to each other. Dr. S.N. Modani and Mr. V. K. Sodani are the Sons-in-Law of Mr. R. P. Soni and Mr. Anurag Soni is Son of Mr. R.P.Soni. No other Director is related to any other Director on the Board.
4. None of the Directors hold the office of director in more than the permissible under the Act, or Regulation 25 and 26 of the Listing Regulations.
5. None of the Non-Executive Directors hold Shares and Convertible Instruments as on 31st March, 2022.
6. Mr. R. P. Soni, Dr. S.N. Modani, Mr. Anurag Soni and Mr. V. K. Sodani, Directors are liable to retire by rotation.

**BOARD MEETING**

The Board meets at regular intervals to discuss and decide on various business decisions, strategies, policies and review the performance of the Company and its subsidiary and the maximum interval between any two meetings did not exceed 120 days. The Company adheres to the Secretarial Standards on the Board and Committee Meetings as prescribed by the Institute of Company Secretaries of India. The Board Meetings are pre- scheduled and a tentative annual calendar of the Board is circulated to the directors well in advance to facilitate the directors to plan their schedules. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting. The Company also provides Video Conference facility, if required, for participation of the Directors at the Board/Committee Meetings.

The Board has complete access to any information within the Company. Agenda papers containing all necessary information/documents are made available to the Board/

Committee Members in advance to enable them to discharge their responsibilities effectively and take informed decisions.

Five meetings of the Board were held during the financial year 2021-2022 on 5th May, 2021, 21st July, 2021, 16th October, 2021, 13th December, 2021 and on 22nd January, 2022. The last Annual General Meeting was held on 23rd September, 2021.

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

Sr. No.	Name of Director	No. of Board Meetings attended	Whether attended Last AGM
1.	Mr. R. P. Soni	Five	Yes
2.	Dr. S. N. Modani	Five	Yes
3.	Mr. V. K. Sodani	Five	Yes
4.	Mr. Achintya Karati	Five	Yes
5.	Mr. T.K. Mukhopadhyay	Five	No
6.	Mr. Anurag Soni	Five	Yes
7.	Smt. Jyoti Sharma	Five	Yes
8.	Mr. Yaduvendra Mathur	Five	Yes

## CORPORATE GOVERNANCE REPORT (Contd.)

### APPOINTMENT AND MEETING OF INDEPENDENT DIRECTORS

During the financial year 2021-2022, the Independent Directors met on 5th May, 2021. The meeting was held without the presence of Executive Directors or management personnel of the Company. Such meeting was conducted to enable Independent Directors to discuss matters pertaining to the Company's affairs and matters mentioned in Schedule IV to the Act. The Independent Directors take appropriate steps to present their views to the Chairman.

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

### INDEPENDENT DIRECTORS CONFIRMATION BY THE BOARD

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Companies

Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and are independent of the management.

### BOARD SKILLS AND EXPERTISE

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

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

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

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

Expertise/Skill of individual directors are highlighted below:

Name of Director	Area of Expertise					
	Business	Financial	Board Services and Governance	Specialised Skills	Leadership and sound Judgement	Other diversity
Mr. R.P. Soni	√	√	√	√	√	√
Dr. S.N. Modani	√	√	√	√	√	√
Mr. V.K. Sodani	√	√	√	√	√	√



## CORPORATE GOVERNANCE REPORT (Contd.)

Name of Director	Area of Expertise					
	Business	Financial	Board Services and Governance	Specialised Skills	Leadership and sound Judgement	Other diversity
Mr. Anurag Soni	√	√	√	√	√	√
Mr. Achintya Karati	√	√	√	√	√	√
Mr. T.K. Mukhopadhyay	√	√	√	√	√	√
Smt. Jyoti Sharma	-	√	√	-	√	-
Mr. Yaduvendra Mathur	√	√	√	√	√	√

### FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

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

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

### CEO/CFO CERTIFICATION

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

### CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The code of conduct as adopted by the Board of Directors is applicable to all directors, senior management. The Code is also applicable to Non-Executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The duties of Independent Directors as laid down in the Act, is incorporated in the Code. The prime purpose of the code is to create an environment wherein all the Board Members and Senior Management of the Company maintain ethical standards and to ensure compliance with the laid down ethical standards. All Board Members and designated senior management personnel have affirmed

compliance with this code of conduct. The code of conduct is available on the website of the Company at the weblink: <http://www.sangamgroup.com/financials/Policies/Code%20Conduct%20for%20Directors.pdf>.

### INSIDER TRADING CODE

The Company has adopted a Code of Conduct to regulate, monitor and report trading by Designated Persons and code of practices and procedures for fair disclosures of unpublished price sensitive information ("Code") in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015 and any statutory amendment(s)/modification(s) thereof.

In compliance with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, ("Amendment Regulations"), Company has amended the Code.

The Code is applicable to Directors, Employees, Designated Persons and other Connected Persons of the Company. This Code is available on the website of the Company's at the weblink: <http://www.sangamgroup.com/financials/Policies/Code%20of%20Conduct%20for%20Insider%20Trading.pdf>

### COMMITTEES OF THE BOARD

The Committees of the Board play an important role in the governance structure of the Company and have been constituted to focus on specific areas and make informed decisions within the delegated authority. Each Committee is guided by its Terms of Reference, which provides for the composition, scope, powers and duties and responsibilities. The recommendation and/or observations and decisions are placed before the Board for information or approval. The Chairman of respective Committee updates the Board regarding the discussions held/ decisions taken at the Committee Meeting.

The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee meetings are placed before the Board for noting. The Board currently has the following Committees:

## CORPORATE GOVERNANCE REPORT (Contd.)

### (A) AUDIT COMMITTEE

#### Constitution

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

The Audit Committee has been constituted as per provisions of Section 177 of the Act and amendments to Clause 49 of the listing agreement. During the year, the Audit Committee has been re-constituted on 5th May, 2021 as Mr. Yaduvendra Mathur, Independent Director of the Company has been appointed as member in the Committee w.e.f. 5th May, 2021.

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

#### Meeting

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

Date of meetings - Four meetings of the Audit Committee were held during the financial year 2021-2022 on 5th May, 2021, 21st July, 2021, 16th October, 2021 and on 22nd January, 2022.

#### Composition and Attendance

The Composition and Attendance of the Audit Committee as on 31st March, 2022 was as follows:

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

### ROLE OF AUDIT COMMITTEE

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions; (g) Modified opinion(s) in the draft audit report;
- (5) Reviewing with the management, the quarterly financial statements before submission to the board for approval;
- (6) Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions of the Company with related parties;

## CORPORATE GOVERNANCE REPORT (Contd.)

- (9) Scrutiny of inter-corporate loans and investments;
  - (10) Valuation of undertakings or assets of the Company, wherever it is necessary;
  - (11) Evaluation of internal financial controls and risk management systems;
  - (12) Reviewing with the management, performance of statutory and internal auditor's adequacy of the internal control systems;
  - (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - (14) Discussion with internal auditors of any significant findings and follow up there on;
  - (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - (18) To review the functioning of the whistle blower mechanism;
  - (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
  - (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
  4. Internal audit reports relating to internal control weaknesses; and
  5. The appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee
  6. Statement of deviations
    - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
    - (b) Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

### (B) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee has been constituted as per provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

#### Meeting

One meetings of Nomination and Remuneration Committee was held during the year on 21st July, 2021.

#### Composition and Attendance

The composition and attendance of the Nomination and Remuneration Committee as on 31st March, 2022 was as follows:

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

#### Review of information by Audit Committee

The Audit Committee reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;



## CORPORATE GOVERNANCE REPORT (Contd.)

### Terms of reference

The Nomination and Remuneration Committee is responsible for:

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

### REMUNERATION OF MANAGING DIRECTOR, WHOLE TIME DIRECTOR AND KMP

The Committee while considering the remuneration of the Managing Director, the Whole Time Director and KMP, may take into consideration the performance of the Company, the experience of the person, his background, job-profile and suitability, his past remuneration, the comparative remuneration profile in the industry, size of the Company, responsibilities shouldered by the Managing Director/ Whole Time Director etc., provided that any remuneration considered by the Committee shall be in accordance and within the limits stipulated under the Companies Act, 2013.

### REMUNERATION OF NON-EXECUTIVE DIRECTOR (NED)

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

be reimbursed.

Details of Remuneration Paid or Payable to Directors for 2021-2022:-

(₹ in Lakhs)

Name of Director	Sitting fees	Salary	Perquisites and allowances	Commission	Others
Mr. R. P. Soni	-	293.92	25.03	208.19	23
Dr. S.N. Modani	-	142.99	20.10	208.19	12.24
Mr. V.K. Sodani	-	59.33	19.45	52.05	5.71
Mr. Anurag Soni	-	69.24	-	208.19	5.58
Mr. Achintya Karati	5.35	-	-	-	-
Mr. T.K. Mukhopadhyay	5.35	-	-	-	-
Mr. Yaduvendra Mathur	4.10	-	-	-	-
Smt. Jyoti Sharma	2.75	-	-	-	-

### Notes:

- (a) The Company has not introduced any stock options for its directors/employees.
- (b) Notice period for termination of appointment of Managing Director and other Whole-time Directors is three months on either side.
- (c) No severance fees are payable on termination of appointment.

### PERFORMANCE EVALUATION

Pursuant to the provisions of the Act read with the rules made thereunder, SEBI (LODR) Regulations and Guidance Note on Board Evaluation issued by SEBI vide its Circular dated 5th January, 2017 the Board of Directors ("Board") has carried out an annual evaluation of its own performance and that of its Committees and individual Directors. The performance of the Board and individual Directors was evaluated by the Board seeking inputs from all the Directors.

The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members. The Nomination & Remuneration Committee reviewed the performance of the individual Directors. A separate Meeting of Independent Directors was also held to review the performance of Non-Independent Directors; performance of the Board as a whole and performance of the Chairperson of the Company, taking into account the views of Non-Executive Directors. This was followed by a Board Meeting that discussed the performance of the Board, its Committees and of individual Directors.

The criteria for performance evaluation of the Board included aspects like Board composition and structure; effectiveness



## CORPORATE GOVERNANCE REPORT (Contd.)

of Board processes, information and functioning etc. The criteria for performance evaluation of Committees of the Board included aspects like composition of committees, effectiveness of committee meetings, etc. The criteria for performance evaluation of the individual Directors includes aspects on contribution to the Board and Committee Meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

### (C) STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

#### Meeting

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

Date of meetings - four meetings of the Stakeholders' Relationship Committee of Board of the Company were held during the financial year 2021-2022 on 5th May, 2021, 21st July, 2021, 16th October, 2021 and on 22nd January, 2022.

#### Composition and Attendance

The Composition of Stakeholders' Relationship Committee as on 31st March, 2022 was as follows:

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

The main function of the Stakeholders' Relationship Committee is to strengthen the investor relations. The Committee looks into redressal of shareholders' complaints and proper and timely attendance on the investors' grievances. The terms of reference of the Stakeholders' Relationship Committee of the Company include the following:

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

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

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

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

During the year, 5 complaints were received from investors directly/RTA or through SEBI or Stock Exchange(s) and were dealt with satisfactorily. All complaints received from the investors were general in nature, which were resolved to the satisfaction of the shareholders within the stipulated time.

### (D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

#### Meeting

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

Date of meetings - four meetings of the Corporate Social Responsibility Committee of Board of the Company were held during the financial year 2021-2022 on 5th May, 2021, 21st July, 2021, 16th October, 2021 and on 22nd January, 2022.

#### Composition and Attendance

The composition and Attendance of Corporate Social Responsibility Committee as on 31st March, 2022 was as

## CORPORATE GOVERNANCE REPORT (Contd.)

follows:

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

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

### GENERAL BODY MEETINGS

#### General Meeting

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

General Body Meeting	Day, Date	Time	Venue	Detail of Special Resolution passed
33rd AGM-2019	Monday, 30th September, 2019	04.00 P.M.	"Sangam House", Atun, Chittorgarh Road, Bhilwara-311001 (Rajasthan)	<ul style="list-style-type: none"> <li>Re-appointment of Mr. S.N. Modani as Managing Director of the Company</li> <li>Re-appointment of Mr. Achintya Karati as an Independent Director of the Company</li> <li>Re-appointment of Mr. Tapan Kumar Mukhopadhyay as an Independent Director of the Company</li> <li>Re-appointment of Mr. Ramawatar Jaju as an Independent Director of the Company</li> <li>Re-appointment of Ms. Seema Srivastava as an Independent Director of the Company</li> </ul>
34th AGM-2020	Saturday, 28th November, 2020	04.00 P.M.	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	<ul style="list-style-type: none"> <li>Issue of 40,00,000 Equity Shares to promoters of the Company on preferential basis.</li> </ul>
35th AGM-2021	Thursday, 23rd September, 2021	04.00 P.M.	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	<ul style="list-style-type: none"> <li>Re-appointment of Mr. R.P. Soni as Whole time Director, designated as Chairman of the Company for a period of 3 years effective from 1st September, 2021.</li> <li>Appointment of Mr. Anurag Soni as Whole-time Director of the Company.</li> </ul>

(b) Whether any special resolution passed last year through postal ballot – details of voting pattern - No special resolutions were passed during the Financial Year 2021-22 through postal ballot.

(c) The Company during the financial year conducted an Extraordinary General Meeting on 13th November, 2021 through Video Conferencing (VC) / Other Audio - Visual Means (OAVM) and passed a special resolution for Issuance of Warrants convertible into Equity Shares to Investor, Promoters and Promoter(s) group of the Company on a Preferential Basis.

(d) Person who conducted the postal ballot exercise: NA

(e) Whether any special resolution is proposed to be conducted through postal ballot - At present there is no proposal to pass any special resolution through postal ballot.

(f) Procedure for postal ballot - Does not arise

### MEANS OF COMMUNICATION



## CORPORATE GOVERNANCE REPORT (Contd.)

- I. Annual Reports, notice of the meetings and other communications to the Members are sent through e-mail, post or courier. However, this year as per the directions given in the circulars issued by Ministry Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI") the companies are allowed to send Annual Report by e-mail to all the Members of the Company. Therefore, the Annual Report for FY 2021-22 and Notice of 36th AGM of the Company is being sent to the Members at their registered e-mail addresses in accordance with MCA and SEBI Circulars.
- II. The Unaudited quarterly/half yearly results are announced within forty-five days of the close of the quarter.
- III. The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper. In addition, the same are published in local newspaper, within forty-eight hours of approval thereof.
- IV. The Company's financial result is displayed on the Company's website- [www.sangamgroup.com](http://www.sangamgroup.com).
- V. Management Discussion and Analysis forms part of the Annual Report, which is sent to the shareholders of the Company.
- VI. A separate dedicated section under "Investors Relation", on the Company's website gives information on unclaimed dividends, shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors / public.

### BSE LISTING CENTRE

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

### GENERAL SHAREHOLDER INFORMATION

A	<b>36th Annual General Meeting</b>	
	- Date and Time	29th September, 2022 at 04:00 P.M.
	- Venue	"Sangam House", Atun, Chittorgarh Road, Bhilwara-311001 (Raj.)
B	<b>Financial Calendar</b>	2022-23
C	<b>Book closure date</b>	Saturday, 24th September, 2022 to Thursday, 29th September, 2022 (both days inclusive)
D	<b>Dividend payment dates</b>	Within 30 days from date of AGM
E	<b>The listing fee has been paid up to date, to all the Stock Exchanges.</b>	Yes
	<b>Bombay Stock Exchange Limited (BSE)</b>	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001
	i. Scrip code	514234
	ii. Trading symbol	SANGAMIND

### NSE Electronic Application Processing System (NEAPS)

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

### Extensive Business Reporting Language (XBRL)

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

### Ministry of Corporate Affairs (MCA)

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

### SEBI Complaints Redress System (SCORES)

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

### Annual Report

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

The Annual Reports is also available in the Investor Relations section on the Company's website [www.sangamgroup.com](http://www.sangamgroup.com).

**CORPORATE GOVERNANCE REPORT (Contd.)**

	<b>National Stock Exchange of India Limited (NSE)</b>	National Stock Exchange of India Limited, Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051
	Trading symbol	SANGAMIND
F	<b>Demat ISIN Numbers in NSDL &amp; CDSL</b>	INE495C01010

**Credit Rating**

Credit Ratings: Credit rating agency "India Ratings & Research" reviewed various credit facilities of the Company during the financial year ended 31st March, 2022 as per the following details:

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

**Dividend**

The Board of Directors at their meeting held on 30th May, 2022, have recommended a Dividend of ₹ 2/- per share for the year ended 31st March, 2022, subject to shareholders' approval at the forthcoming 36th Annual General Meeting. If approved, the dividend will be paid to the shareholders within 30 days from the date of Annual General Meeting.

The Company will continue to use NECS/ECS or any other electronic mode for payment of dividend to the shareholders located in places where in such facilities/ system is in existence.

**Unclaimed/Unpaid Dividend**

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

**Stock Market Data**

The reported high and low prices of equity shares of Sangam (India) Limited traded during Financial Year 2021-2022 on BSE Limited and NSE are set out in the following table:

Month	BSE Limited (BSE)				National Stock Exchange of India Limited (NSE)			
	Share Price		Sensex		Share Price		S&P CNX NIFTY	
	High	Low	High	Low	High	Low	High	Low
April, 2021	82.00	73.55	50,375.77	47,204.50	82.45	74.50	15044.35	14151.40
May, 2021	108.95	77.50	52,013.22	48,028.07	109.70	79.00	15606.35	14416.25
June, 2021	114.60	96.10	53,126.73	51,450.58	116.00	95.05	15915.65	15450.90
July, 2021	152.80	101.60	53,290.81	51,802.73	153.95	103.80	15962.25	15513.45
August, 2021	173.80	123.10	57,625.26	52,804.08	173.55	122.60	17153.50	15834.65
September, 2021	169.95	127.55	60,412.32	57,263.90	167.20	129.05	17947.65	17055.05
October, 2021	283.30	166.75	62,245.43	58,551.14	285.30	167.80	18604.45	17452.90
November, 2021	327.70	232.85	61,036.56	56,382.93	323.80	232.45	18210.15	16782.40
December, 2021	354.00	233.00	59,203.37	55,132.68	355.00	232.80	17639.50	16410.20
January, 2022	423.40	348.00	61,475.15	56,409.63	419.80	352.05	18350.95	16836.80
February, 2022	399.70	282.95	59,618.51	54,383.20	399.40	272.85	17794.60	16203.25
March, 2022	327.00	257.25	58,890.92	52,260.82	328.00	254.30	17559.80	15671.45

**Share Transfer System**

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

## CORPORATE GOVERNANCE REPORT (Contd.)

### (i) Distribution of Shareholding as on 31st March, 2022

Category Range – Shares	Shareholders		Shareholding	
	Number	Percentage	Number of Shares	Percentage
Up to 5000	10432	91.7906	9497380	2.1872
5001-10000	434	3.8187	3491010	0.8040
10001-20000	200	1.7598	3089370	0.7115
20001-30000	72	0.6335	1834800	0.4226
30001-40000	34	0.2992	1208970	0.2784
40001-50000	35	0.3080	1652670	0.3806
50001-1,00,000	59	0.5191	4407920	1.0151
1,00,001 and above	99	0.8711	409033470	94.2005
<b>TOTAL</b>	<b>11365</b>	<b>100.00</b>	<b>434215590</b>	<b>100.00</b>

### (ii) Shareholding Pattern as on 31st March, 2022

Category	No. of Shares held	% of Shareholding
Promoters holding		
(a) Individual Promoters	8239433	18.98%
(b) Persons acting in Concerts	18440262	42.47%
Others		
Mutual Funds and UTI	-	-
Banks, Financial Institution, Insurance Companies, NBFCs registered with RBI (Central/State Govt. Institutions/ Non Govt. Institutions)	6426	0.01%
Foreign Portfolio Investors	255428	0.59%
Private Corporate Bodies	11356923	26.16%
Indian Public	3350602	7.72%
NRI's / OCBs	1279529	2.95%
Clearing Members	50794	0.12%
Investor Education and Protection Fund (IEPF)	99956	0.23%
HUF	342156	0.79%
Trusts	50	0.00%
<b>TOTAL</b>	<b>43421559</b>	<b>100.00</b>

### Dematerialisation of shares and liquidity

The process of conversion of shares from physical form to electronic form is known as dematerialisation. For dematerialising the shares, the shareholders should open a demat account with a Depository Participant (DP). The shareholder is required to fill in a Demat Request Form and submit the same along with the original share certificates to his DP. The DP will allocate a demat request number and shall forward the request physically and electronically through NSDL/CDSL to Registrar & Transfer Agent. On receipt of the demat request both physically and electronically and after verification, the shares are dematerialised and an electronic credit of the shares is given in the account of the shareholder. Shares of the Company are traded in electronic form. About 99.76% of the shares holdings have already been dematerialised. Shares of the Company are actively traded

in BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and have reasonably good liquidity.

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

The Company has not issued GDR/ADR. The Board of Director of the Company has allotted 57,00,000 warrants convertible into equity shares of ₹ 10/- each @ one equity share for every warrant at a price of ₹ 180/- including premium of ₹ 170/- per share to Investor, Promoters and Promoter(s) group of the Company on preferential basis on 13th December, 2021. The conversion date will be within 18 months from the date of allotment.

### Commodity Risk or Foreign Exchange Risk and Hedging activities

## CORPORATE GOVERNANCE REPORT (Contd.)

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

### Office and Works

#### Registered Office

Atun, Chittorgarh Road, Bhilwara - 311 001 (Raj.)  
Ph.: +91 1482 245400-06  
E-mail: [secretarial@sangamgroup.com](mailto:secretarial@sangamgroup.com)  
website: [www.sangamgroup.com](http://www.sangamgroup.com)

### Plant Location

#### Spinning

Unit - I : Vill. BiliyaKalan, Chittorgarh Road, Bhilwara - 311 001 (Raj.)  
Unit - II : 91 K.M. Stone, N.H.-79, Vill. Sareri, Dist. Bhilwara - 311 024 (Raj.)  
Unit - III : Village Soniyana, Tehsil Gangrar, Distt. Chittorgarh 312901 (Raj).

### Weaving, Processing and Garments

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

### Denim

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

### Registrar and Share Transfer Agent

Bigshare Services Private Limited,  
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East) Mumbai 400059  
Fax No.: 022 62638299, Tel. No.: 022 62638200  
E-mail: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

### Address for Correspondence

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

### Company Secretary

#### Sangam (India) Limited,

Atun, Chittorgarh Road, Bhilwara - 311 001 (Raj.)  
Ph.: +91 1482-245400-6, Fax: +91 1482 245450  
email: [secretarial@sangamgroup.com](mailto:secretarial@sangamgroup.com)  
Website: [www.sangamgroup.com](http://www.sangamgroup.com)

## OTHER DISCLOSURE

### Related Party Transaction:

There were no materially significant transactions with related parties during the year under review, which were in conflict with the interest of the Company. All the transactions entered into by the Company with Related Parties during the year under review were at arms-length basis and in ordinary course of business. Suitable disclosure required under the Accounting Standard (Ind AS 24) have been made in the notes to the Financial Statement.

As required under Regulation 23 of SEBI (LODR) Regulations, the Company has formulated a Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions which is available on the website of the Company at the weblink: <http://www.sangamgroup.com/financials/Policies/RPT%20Policy.pdf>.

### Statutory Compliance, Penalties and Strictures:

The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last 3 years.

### Vigil Policy (Whistle Blower Policy):

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

### Disclosure of Accounting Treatment:

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

### Details of Compliance with Mandatory Requirements:

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



## CORPORATE GOVERNANCE REPORT (Contd.)

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

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

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

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

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

The details of number of complaints filed and disposed of during the year and pending as on 31st March, 2022 is given in the Directors' report.

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

Pursuant to sub-regulation (3) of Regulation 26 read with Para D of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members and the Senior Management personnel of the Company have affirmed compliance to their respective Code of Conduct, as applicable to them for the Financial Year ended 31st March, 2022.

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

**(Dr. S. N. Modani)**

Place: Bhilwara  
Date: 30th May, 2022

Managing Director & CEO  
DIN: 00401498



# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members,

**SANGAM (INDIA) LIMITED**

Atun, Chittorgarh Road,

Bhilwara-311001 (Rajasthan)

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of appointment in Company
1	Mr Ram Pal Soni	00401439	December 31, 1984
2	Mr S N Modani	00401498	June 20, 1989
3	Mr V K Sodani	00403740	December 21, 2006
4	Mr Anurag Soni	03407094	January 21, 2021
5	Mr Achintya Karati	00024412	December 26, 2004
6	Mr Tapan Kumar Mukhopadhyay	00239251	February 7, 2011
7	Ms Jyoti Sharma	08741591	June 24, 2020
8	Mr Yaduvendra Mathur	00307650	January 21, 2021

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For B K Sharma and Associates**

Company Secretaries

Unique Code: S2013RJ233500

**(Brij Kishore Sharma)**

Proprietor

Membership No.: FCS - 6206

CP No.: 12636

Peer Review Certificate No.: 1172/2021

UDIN: F006206D000435129

Place: Jaipur

Date: 30th May, 2022



## CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members  
**Sangam (India) Limited**

We have examined the compliance of Corporate Governance by Sangam (India) Limited ("the Company") for the year ended on March 31, 2022 as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

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

Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring the compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. We have examined the documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2022.

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

**For B K Sharma and Associates**

Company Secretaries  
Unique Code: S2013RJ233500

**(Brij Kishore Sharma)**

Proprietor  
Membership No. : FCS - 6206  
CP No.: 12636

Peer Review Certificate No.: 1172/2021  
UDIN: F006206D000435525

Place: Jaipur  
Date: 30th May, 2022

## CEO / CFO Certification

(Pursuant to regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 for the Financial Year ended 31st March, 2022

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

- a. We have reviewed financial statements and Cash Flow Statement for the year ended 31st March, 2022 and that to the best of our knowledge and belief, we state that:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, no transactions are entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We are responsible for establishing and maintaining internal controls over financial reporting and that we have evaluated the effectiveness of internal control systems pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
  - (i) significant changes, if any, in internal control over financial reporting during the year;
  - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Sangam (India) Limited**

**(Dr. S.N. Modani)**  
Managing Director & CEO  
DIN: 00401498  
Place: Bhilwara  
Date: 30th May, 2022

**(Anurag Soni)**  
Director & CFO  
DIN: 03407094

# FINANCIAL STATEMENTS

# INDEPENDENT AUDITOR'S REPORT

To,  
**The Members of**  
**Sangam (India) Limited**

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying standalone financial statements of **Sangam (India) Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flow for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2022, and its profit including other comprehensive income, changes in equity and its cash outflow for the year ended on that date.

### Basis for Opinion

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

independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone 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 Standalone Financial Statements for the financial year ended 31<sup>st</sup> March, 2022. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

The key audit matters	How our audit addressed the key audit matter
<b>Adoption of Ind AS 115 – Revenue from Contracts with Customers</b>	
<p>The Company has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115'). The application to this accounting standard is complex and is an area of focus in the audit.</p> <p>The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>	<p>Our audit procedures carried on adoption of Ind AS 115, Revenue from contracts with Customers ('Ind AS 115'), was as under:–</p> <ul style="list-style-type: none"> <li>● Evaluated the design and implementation of the processes and internal controls relating to accounting standard;</li> <li>● Evaluated the detailed analysis performed by management on revenue streams by selecting samples for the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams;</li> <li>● Evaluated the changes, if any, made to IT systems to reflect the changes required in revenue recognition as per the new accounting standard;</li> <li>● Evaluated the appropriateness of the disclosures provided under the accounting standard and assessed the completeness and mathematical accuracy of the relevant disclosures.</li> </ul>



Value through values

## Independent Auditor's Report (Contd.)

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

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

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

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

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting

unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Company's Management and Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that

## Independent Auditor's Report (Contd.)

may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### 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 Companies Act, 2013, we give in the **"Annexure A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"** to this report.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed impact of pending litigations under note no. 48 of standalone financial statements.
  - (ii) The Company has made provision as at 31<sup>st</sup> March, 2022 as required under the applicable Law or Accounting Standards for foreseeable losses on long term contracts including derivatives contracts.
  - (iii) There has been no delay in transferring amounts, required to be transferred to the



Value through values

## Independent Auditor's Report (Contd.)

Investor Education and Protection Fund by the Company.

- (iv) (a) The Management has represented to us that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented to us that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the 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 any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that cause us to believe that the representation given by the Management under paragraph (3) (g) (iv) (a) and (b) above contain any material misstatement.

- (v) The Dividend paid by the Company during the year is in accordance with the Section 123 of the Act, as applicable.

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 Rajendra & Co.**

*Chartered Accountants*  
Firm Registration No 108355W

**Akshay R. Shah**

*Partner*  
Membership No.103316  
Place : Mumbai  
UDIN: 22047166AJWGUA6365  
Date: 30th May, 2022

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

*Chartered Accountants*  
Firm Registration No 002330C

**O. P. Dad**

*Partner*  
Membership No. 035373  
Place : Bhilwara  
UDIN: 22035373AMOERL1938  
Date: 30th May, 2022.



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

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

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 Standalone 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) Inventories have been physically verified during the year by the Management at reasonable intervals. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.
- (b) Company has been sanctioned working capital limit in excess of Rs 5 crore, in aggregate from banks based on the security of current assets. The quarterly returns/statements filed by the Company with such banks are in principle in agreement with the books of account of the Company for the respective periods.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties. Accordingly, the provisions of clause 3(iii) (a), (c) and (d) of the Order are not applicable to the Company and hence not commented upon.
- (b) The investments made during the year are not prejudicial to the Company's interest.
- (e) The Company has not granted any loan or advance in the nature of loan granted during the year and there is no loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties. Accordingly, the provisions of clause 3(iii) (e) of the Order are not applicable to the Company
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (f) of the Order are not applicable to the Company.
- (iv) The Company has not granted any loans or provide any guarantees or securities to parties covered under Section 185 of the Act. The Company has complied with the provisions of section 186 of the Act, in respect of investments, loans, guarantee or security given, as applicable.
- (v) 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 maintenance of cost records has been specified by the Central Government sub section (1) of section 148 of the Act and such accounts and records have been so made and maintained by the company. We have

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

however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

(vii) In respect of Statutory dues:

a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues have been generally regularly deposited with appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at 31<sup>st</sup> March, 2022 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, the disputed dues on account of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess that have not been deposited before appropriate authorities are as under:

Sr no.	Name of the statute	Nature of dues	Amount of disputed demand (₹ In Lakhs)		Period to which the amount relate (F.Y.)	Forum where dispute is pending
			Gross	Net of Deposited		
1	Central Excise Act, 1944	Excise Duty and Penalty	11	10	2015-16	Commissioner of Excise and Service tax (Appeals), Jodhpur
2	Finance Act, 1994	Service tax and Penalty	441	420	2010-11 to 2012-13	CESTAT, New Delhi
3	Rajasthan Value Added Tax Act, 2003	Value Added Tax	19	19	2014-15	Tax Board, Ajmer
		Value Added Tax with RIPS Incentive on Exports	28	28	2015-16	Tax Board, Ajmer
4	The Rajasthan Tax on Entry of Goods into Local Areas Act, 1999	Penalty and Interest	6	6	2016-17	Rajasthan High Court, Jodhpur
5	Rajasthan Stamp Duty Act, 1998	Stamp Duty	109	89	2006-07	Rajasthan High Court, Jodhpur
6	Electricity Act, 2003	Fixed Charges Recovery	66	42	2009-10 to 2010-11	APTEL, New Delhi

(viii) 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 standalone 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 standalone 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.

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

- (x) a. 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.
- b. The Company has made private placements of equity share warrants during the year and the requirements of Section 42 of the Act have been complied with and the amount raised have been used for the purposes for which the funds were raised.
- (xi) a. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone 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 cost auditor/ secretarial auditor or 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 standalone financial statements, as required by the applicable accounting standards.
- (xiv) a. The Company has an internal audit system commensurate with the size and nature of its business.
- b. The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (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 current 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 disclosed in Note 52 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than on-going projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013 (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 56 to the standalone financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.

### For Rajendra & Co.

Chartered Accountants  
Firm Registration No 108355W

### Akshay R. Shah

Partner  
Membership No.103316  
Place : Mumbai  
UDIN: 22047166AJWGU6365  
Date: 30th May, 2022

### For O. P. Dad & Co.

Chartered Accountants  
Firm Registration No 002330C

### O. P. Dad

Partner  
Membership No. 035373  
Place : Bhilwara  
UDIN: 22035373AMOERL1938  
Date: 30th May, 2022



Value through values

## **ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SANGAM (INDIA) LIMITED**

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

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

We have audited the internal financial controls over financial reporting of Sangam (India) Limited ("the Company") as of 31<sup>st</sup> March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these Standalone Financial Statements and their operating

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

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

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Standalone Financial Statements, including the possibility of collusion or improper management override of controls,

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SANGAM (INDIA) LIMITED (Contd.)

material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Standalone Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Standalone Financial Statements and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup>

March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### For Rajendra & Co.

*Chartered Accountants*

Firm Registration No 108355W

### For O. P. Dad & Co.

*Chartered Accountants*

Firm Registration No 002330C

### Akshay R. Shah

*Partner*

Membership No.103316

Place : Mumbai

UDIN: 22047166AJWGUA6365

Date: 30th May, 2022

### O. P. Dad

*Partner*

Membership No. 035373

Place : Bhilwara

UDIN: 22035373AMOERL1938

Date: 30th May, 2022



Value through values

# Standalone Balance Sheet

As at 31<sup>st</sup> March, 2022

(₹ in Lakhs)

Particulars	Notes	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	3	59,475	58,557
Right of Use Assets	4	349	-
Capital Work-in-Progress	5	7,098	881
Intangible Assets	6	354	455
Intangible Assets under Development	7	14	-
<b>Financial Assets</b>			
(i) Investments	8	849	9
(ii) Other Financial Assets	9	2,616	989
Other Non Current Assets	10	4,867	591
<b>TOTAL NON-CURRENT ASSETS</b>		<b>75,622</b>	<b>61,482</b>
<b>Current Assets</b>			
Inventories	11	52,797	37,153
<b>Financial Assets</b>			
(i) Trade Receivables	12	37,643	29,396
(ii) Cash and Cash equivalents	13	9	15
(iii) Bank balances other than (ii) above	14	2,117	991
(iv) Other Current Financial Assets	15	6,090	5,519
Current Tax Assets (Net)	16	-	564
Other Current Assets	17	7,172	6,537
Assets Classified as Held for Sale	18	776	-
<b>TOTAL CURRENT ASSETS</b>		<b>1,06,604</b>	<b>80,175</b>
<b>TOTAL ASSETS</b>		<b>1,82,226</b>	<b>1,41,657</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	19	4,342	4,342
Other Equity	20	64,714	51,620
Share Warrants	21	2,565	-
<b>TOTAL EQUITY</b>		<b>71,621</b>	<b>55,962</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	22	18,055	20,438
(ii) Lease Liabilities	23	219	-
Deferred Tax Liabilities (Net)	24	3,786	5,129
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>22,060</b>	<b>25,567</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	25	57,984	38,513
(ii) Lease Liabilities	26	143	-
(iii) Trade Payables	27		
a) Total outstanding dues of Micro enterprises and Small enterprises		1,128	630
b) Total outstanding dues of Creditors other than Micro enterprises and Small enterprises		12,242	10,942
(iv) Other Financial Liabilities	28	12,992	7,341
Other Current Liabilities	29	1,773	1,028
Current Tax Liabilities (Net)	30	384	-
Provisions	31	1,899	1,674
<b>TOTAL CURRENT LIABILITIES</b>		<b>88,545</b>	<b>60,128</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,82,226</b>	<b>1,41,657</b>

Significant Accounting Policies and Notes to Financial Statements

1 to 59

As per our Report of even date

For and on the Behalf of the Board

**For Rajendra & Co.**

Chartered Accountants  
(Firm Registration No 108355W)

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

Chartered Accountants  
(Firm Registration No 002330C)

**(Akshay R. Shah)**

Partner  
Membership No.103316

Place: Mumbai  
Date: 30<sup>th</sup> May, 2022

**(O. P. Dad)**

Partner  
Membership No. 035373

Place: Bhilwara  
Date: 30<sup>th</sup> May, 2022

**(R.P. Soni)**

Chairman  
(DIN 00401439)

**(Dr. S. N. Modani)**

Managing Director & CEO  
(DIN 00401498)

**(Anurag Soni)**  
Director & CFO  
(DIN 03407094)

**(V. K. Sodani)**

Executive Director  
(DIN 00403740)

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

# Standalone Statement of Profit and Loss

For the year ended 31<sup>st</sup> March, 2022

(₹ in Lakhs)

Particulars	Notes	2021-22	2020-21
<b>INCOME</b>			
Revenue from Operations	32	2,43,776	1,35,355
Other Income	33	716	982
<b>Total Income</b>		<b>2,44,492</b>	<b>1,36,337</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	34	1,33,483	70,693
Purchases of Traded Goods	35	4,476	894
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	36	(3,567)	2,739
Employee Benefits Expenses	37	20,095	14,816
Finance Costs	38	4,780	4,923
Depreciation and Amortisation Expense	39	7,034	8,052
Power & Fuel	40	24,539	15,747
Other Expenses	41	33,986	18,130
<b>Total Expenses</b>		<b>2,24,826</b>	<b>1,35,994</b>
Profit Before Exceptional Items and Tax		19,666	343
Exceptional Items	42	1,229	-
<b>Profit Before Tax</b>		<b>18,437</b>	<b>343</b>
<b>Tax Expenses</b>			
Current Tax		5,304	724
Deferred Tax		(1,389)	(272)
Tax Expense for earlier Years		429	(647)
<b>Total Tax Expenses</b>		<b>4,344</b>	<b>-195</b>
<b>Profit after Tax</b>		<b>14,093</b>	<b>538</b>
Less:- Total Comprehensive Income/ (Loss) of erstwhile amalgamating Company for previous year ended 31 <sup>st</sup> March, 2021 (Refer Note:- 53B)		(71)	-
<b>Profit for the year</b>		<b>14,022</b>	<b>538</b>
<b>Other comprehensive income</b>	43		
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of defined benefit plans		164	398
Tax relating to remeasurement of defined benefit plans		(41)	(139)
		<b>123</b>	<b>259</b>
<b>Items that will be reclassified to profit or loss</b>			
Fair value changes on derivatives designated as cash flow hedges		(25)	362
Tax on items that will be reclassified subsequently to Profit & Loss		6	(127)
		<b>(19)</b>	<b>235</b>
<b>Total Other Comprehensive Income for the year</b>		<b>104</b>	<b>494</b>
<b>Total Comprehensive Income for the year</b>		<b>14,126</b>	<b>1,032</b>
<b>Earnings per equity share of face value of ₹ 10 each</b>	44		
Basic EPS before exceptional items		35.12	1.33
Basic EPS after exceptional items		32.29	1.33
Diluted EPS before exceptional items		34.94	1.33
Diluted EPS after exceptional items		32.12	1.33

Significant Accounting Policies and Notes to Financial Statements

1 to 59

As per our Report of even date

For and on the Behalf of the Board

**For Rajendra & Co.**  
Chartered Accountants  
(Firm Registration No 108355W)

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

**(Akshay R. Shah)**  
Partner  
Membership No.103316

**(O. P. Dad)**  
Partner  
Membership No. 035373

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

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

**(V. K. Sodani)**  
Executive Director  
(DIN 00403740)

Place: Mumbai  
Date: 30<sup>th</sup> May, 2022

Place: Bhilwara  
Date: 30<sup>th</sup> May, 2022

**(Anurag Soni)**  
Director & CFO  
(DIN 03407094)

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



Value through values

# Standalone Cash Flow Statement

For the year ended 31<sup>st</sup> March, 2022

(₹ in Lakhs)

Particulars	2021-22	2020-21
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Tax</b>	<b>18,436</b>	<b>343</b>
Adjustments for :-		
Depreciation and Amortisation Expense	7,034	8,052
Finance Costs	4,780	4,923
Bad Debts / Allowance for Doubtful Debts	2,180	863
Advances Written Off	128	252
Interest Income	(418)	(442)
Foreign Exchange Fluctuation Gain/ (Loss) (Net)	(318)	(313)
Profit on Sale of Property, Plant & Equipments (Net)	(120)	(140)
Empoloyees Retirement Benefits	403	-
<b>Operating Profit before working capital changes</b>	<b>32,105</b>	<b>13,538</b>
Movements in Working Capital :-		
(Increase) / Decrease in Inventories	(15,644)	(400)
(Increase) / Decrease in Trade Receivables	(10,133)	468
(Increase) / Decrease in Other Financial Assets	(562)	(502)
(Increase) / Decrease in Other Assets	(2,595)	(754)
Increase / (Decrease) in Trade Payables	4975	134
Increase / (Decrease) in Other Financial Liabilities	4,763	516
Increase / (Decrease) in Provisions	363	700
Increase / (Decrease) in Other Liabilities	745	(285)
<b>Cash Generated from Operations</b>	<b>14,017</b>	<b>13,415</b>
Taxes Paid / (Refund) (Net)	4,540	179
<b>Net Cash Inflow / (Out Flow) from Operating Activities</b>	<b>9,477</b>	<b>13,236</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of Property, Plant & Equipments #	(20,104)	(6,104)
Sale of Property, Plant & Equipments	865	854
Interest Income	409	376
Sale of Investment / (Purchase)	(840)	581
<b>Net Cash Inflow / (Outflow) from Investing Activities</b>	<b>(19,670)</b>	<b>(4,293)</b>
<b>C Cash Flow from Financing Activities</b>		
Proceeds from issue of Equity Share Capital	-	2,000
Proceeds from issue of Share Warrants	2,565	-
Proceeds from Long Term Borrowings	4,079	4,588
Repayment of Long Term Borrowings	(6,463)	(5,461)
Increase / (Decrease) in Short- Term Borrowings	16,357	(4,953)
Finance Costs	(4,796)	(5,078)
Dividend Paid (Including Tax on Dividend)	(433)	(396)
<b>Net Cash Inflow / (Out Flow) from Financing Activities</b>	<b>11,309</b>	<b>(9,300)</b>
Net Increase/(Decrease) in Cash & Cash equivalents	1,116	(357)
Cash and Cash Equivalents at the Beginning	1,006	1,363
Add: Upon amalgamation of Subsidiary Company (Refer note No. 53 (a))	4	-
Cash and Cash Equivalents at the End	2,126	1,006

#Purchase of property, plant and equipment includes addition to ROU, Intangible assets, movement in capital work in process, capital advances and creditors for capital expenditures.



Standalone Cash Flow Statement  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

**Change in Liability arising from financing activities**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2021	Cash Flow	Adjustment on account of regrouping	As at 31 <sup>st</sup> March, 2022
Borrowing - Non Current (Refer Note No. 22)	20,438	(2,383)	-	18,055
Borrowing - Current (Refer Note No. 25)	38,513	16,357	3,114	57,984
<b>Total</b>	<b>58,951</b>	<b>13,974</b>	<b>3,114</b>	<b>76,039</b>

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	Cash Flow	Adjustment on account of regrouping	As at 31 <sup>st</sup> March, 2021
Borrowing - Non Current (Refer Note No. 22)	28,878	(873)	(7,567)	20,438
Borrowing - Current (Refer Note No. 25)	35,899	(4,953)	7,567	38,513
<b>Total</b>	<b>64,777</b>	<b>(5,826)</b>	<b>-</b>	<b>58,951</b>

**As per our Report of even date**

**For Rajendra & Co.**  
Chartered Accountants  
(Firm Registration No 108355W)

**(Akshay R. Shah)**  
Partner  
Membership No.103316

Place: Mumbai  
Date: 30<sup>th</sup> May, 2022

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

**(O. P. Dad)**  
Partner  
Membership No. 035373

Place: Bhilwara  
Date: 30<sup>th</sup> May, 2022

**For and on the Behalf of the Board**

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

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

**(Anurag Soni)**  
Director & CFO  
(DIN 03407094)

**(V. K. Sodani)**  
Executive Director  
(DIN 00403740)

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



Value through values

## Standalone Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2022

### (a) Equity share capital

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	4,34,21,559	4,342	3,94,21,559	3,942
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	<b>4,34,21,559</b>	<b>4,342</b>	<b>3,94,21,559</b>	<b>3,942</b>
Changes in equity share capital during the year	-	-	40,00,000	400
Balance at the end of the reporting year	<b>4,34,21,559</b>	<b>4,342</b>	<b>4,34,21,559</b>	<b>4,342</b>

### (b) Other equity

(₹ in Lakhs)

Particulars	Reserves and Surplus						Total
	General Reserve	Retained Earnings	Capital Reserve	Preference Share Capital Redemption Reserve	Securities Premium	Effective Portion of Cash Flow Hedges	
<b>Balance at 1<sup>st</sup> April, 2020</b>	<b>22,818</b>	<b>19,431</b>	<b>297</b>	<b>1,178</b>	<b>5,868</b>	<b>(210)</b>	<b>49,382</b>
Profit for the year	-	538	-	-	-	-	538
Other comprehensive income/ (loss) for the year	-	259	-	-	-	235	494
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>797</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>235</b>	<b>1,032</b>
Issue of Equity Shares	-	-	-	-	1,600	-	1,600
Dividend paid	-	(394)	-	-	-	-	(394)
<b>Balance at 31<sup>st</sup> March, 2021</b>	<b>22,818</b>	<b>19,834</b>	<b>297</b>	<b>1,178</b>	<b>7,468</b>	<b>25</b>	<b>51,620</b>
<b>Balance at 1<sup>st</sup> April, 2021</b>	<b>22,818</b>	<b>19,834</b>	<b>297</b>	<b>1,178</b>	<b>7,468</b>	<b>25</b>	<b>51,620</b>
Profit for the year	-	14,093	-	-	-	-	14,093
Other comprehensive income/ (loss) for the year	-	123	-	-	-	(19)	104
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>14,216</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19)</b>	<b>14,197</b>
Dividends paid	-	(435)	-	-	-	-	(435)
On account of merger of subsidiary Company (Refer Note No. 53 (a))	-	(597)	-	-	-	-	(597)
Total Comprehensive Income/ (Loss) of erstwhile amalgamating Company for previous year ended 31 <sup>st</sup> March, 2021 (Refer Note No. 53 (b))	-	(71)	-	-	-	-	(71)
<b>Balance at 31<sup>st</sup> March, 2022</b>	<b>22,818</b>	<b>32,947</b>	<b>297</b>	<b>1,178</b>	<b>7,468</b>	<b>6</b>	<b>64,714</b>

The accompanying notes are an integral part of these financial statements

As per our Report of even date

For and on the Behalf of the Board

**For Rajendra & Co.**

Chartered Accountants  
(Firm Registration No 108355W)

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

Chartered Accountants  
(Firm Registration No 002330C)

**(Akshay R. Shah)**

Partner  
Membership No.103316

Place: Mumbai  
Date: 30th May, 2022

**(O. P. Dad)**

Partner  
Membership No. 035373

Place: Bhilwara  
Date: 30th May, 2022

**(R.P. Soni)**

Chairman  
(DIN 00401439)

**(Dr. S. N. Modani)**

Managing Director & CEO  
(DIN 00401498)

**(Anurag Soni)**  
Director & CFO  
(DIN 03407094)

**(V. K. Sodani)**

Executive Director  
(DIN 00403740)

**(A. K. Jain)**

Company Secretary  
(M No: F-7842)"

# Notes to Standalone Financial Statements

For the year ended 31<sup>st</sup> March, 2022

## 1. GENERAL INFORMATION:

Sangam (India) Limited ("the Company"), is a public limited Company domiciled in India and was incorporated on 29th December, 1984 under the provisions of the Companies Act, 1956 (now replaced by Companies Act 2013) as applicable in India. Its shares are listed on National Stock Exchange of India (NSE) and Bombay Stock Exchange (BSE) of India.

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

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

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

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

### 1.1 BASIS OF PREPARATION:

#### A. Statement of compliance

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

These financial statements were approved for issue in accordance with the resolution of the Board of Directors as per its meeting held on 30th May, 2022.

#### B. Functional and presentation currency

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

#### C. Basis of measurement

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

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

#### D. Use of estimates and judgements

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

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

#### Judgments

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

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

#### Assumptions and estimation uncertainties

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

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

## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

- Impairment of trade receivables.

### E. Measurement of fair values

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

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

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion 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 categorised in a fair value hierarchy based on the inputs used in the valuation techniques as under:

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

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

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

## 2. SIGNIFICANT ACCOUNTING POLICIES:

### A. Current and non-current classification

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

#### Assets:

An assets are classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within twelve months after the reporting date; or
- 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.

#### Assets held for sale:

An assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

The value of Assets has been carried out at its fair value less cost of sales.

#### Liabilities:

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

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or

## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

- d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

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

### B. Property, plant and equipment (PPE)

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

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

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

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

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

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 derecognised 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 recognised in the statement of profit and loss.

### C. Depreciation and amortisation:

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

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

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

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

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

## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

project, from the date of commencement of commercial production.

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

discarded, demolished or scrapped.

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

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

### D. Intangible assets

Intangible assets that are acquired by the Company, that have finite useful lives, are stated at acquisition cost, net of accumulated amortisation 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 derecognised 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 recognised in the statement of profit and loss.

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

#### Amortisation

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

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

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and

are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

### E. Research and development expenditure on new products:

- (i) Expenditure on research is expensed under respective heads of account in the period in which it is incurred.
- (ii) Development expenditure on new products is capitalised as intangible asset, if all of the following can be demonstrated:
  - A. The technical feasibility of completing the intangible asset so that it will be available for use or sale;
  - B. The Company has intention to complete the intangible asset and use or sell it;
  - C. The Company has ability to use or sell the intangible asset;
  - D. The manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets;
  - E. The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
  - F. The Company has ability to reliably measure the expenditure attributable to the intangible asset during its development.

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

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

### F. Impairment of assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, investment property, intangible assets and investments in subsidiary Company to determine whether there is any indication

## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. The intangible assets with indefinite life are tested for impairment each year.

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

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

The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Company suitably adjusted for risks specified to the estimated cash flows of the asset.

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

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

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

### G. Financial Instruments

#### i. Financial assets.

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

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

Financial assets are subsequently classified as measured at:

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

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

#### Derecognition

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

#### Impairment of financial assets

The Company recognises loss allowances for expected credit losses on:

- Financial assets measured at amortised cost;

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

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

## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

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

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

### Measurement of expected credit losses

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

### Presentation of allowance for expected credit losses in the balance sheet

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

### Write-off

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

## ii. Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

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

### Derecognition

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

## iii. Offsetting financial instruments

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

## iv. Derivative financial instruments and hedging activities

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

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

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for



## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items.

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

### (a) Fair value hedges

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

### (b) Cash flow hedges

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

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

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

## H. Borrowing costs

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

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

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

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

## I. Income tax

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

### Current tax

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

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off

## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

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 recognised 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 recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised 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 recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. 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 recognises 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 realised. Deferred tax assets- unrecognised or recognised, are reviewed at each reporting date and are recognised /reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

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

### J. Inventories

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

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

Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out (FIFO) basis.

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

### K. Cash and cash equivalents

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

### L. Foreign currency translation

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

At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet

## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

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.

### M. Employee benefits

#### i. Defined benefit obligations

##### (a) Post-employment benefits (Gratuity):

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

Remeasurement actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement if changes in equity and in the balance sheet.

##### (b) Other employee benefits:

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

#### ii. Defined contribution plan:

Company pays contributions to provident fund, employee pension scheme and employee state insurance as per statutes/ amounts as advised by the Authorities. The Company has no further

obligations once the contributions have been paid. The contributions are accounted for as defined contribution plan and the contributions are recognised as employee benefit expense when they are due.

#### iii. Short-term benefits:

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

### N. Provision and contingent liabilities

The Company sets up a provision when there is a present legal or constructive obligation as a result of a past event and it will probably 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 recognised as a finance cost.

The amount recognised 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.

## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

### O. Contingent Assets

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

### P. Revenue recognition

#### (i) Revenue from operations

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

#### A. Sale of goods

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

#### B. Rendering of services

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

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

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

#### C. Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to

receive the income is established as per the terms of the contract.

#### (ii) Other income

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

### Q. Exceptional items

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

### R. Government grants

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

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

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

### S. Segment reporting

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

## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

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

### T. Leases

#### As lessee

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

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

#### Initial measurement

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

#### Subsequent measurement

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

#### Impairment:

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

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

#### Short term Lease or Low Value Lease

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

#### Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standard prospectively to its leases.

### U. Earnings per share

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

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



## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

### V. Standards issued but not effective

On 23rd March, 2022, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to Company from 1st April, 2022.

- I. Ind AS 101 – First time adoption of Ind AS
- II. Ind AS 103 – Business Combination

III. Ind AS 109 – Financial Instrument

IV. Ind AS 16 – Property, Plant and Equipment

V. Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

VI. Ind AS 41 – Agriculture

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

Notes to Standalone Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

**3. PROPERTY, PLANT AND EQUIPMENT**

(₹ in Lakhs)

Particulars	Gross Block					Depreciation					Net Block	
	As at 31st March, 2021	Acquired on amalgamation*	Additions	Deletions	As at 31st March, 2022	As at 31st March, 2021	Acquired on amalgamation*	Additions	Deletions	As at 31st March, 2022	As at 31st March, 2022	As at 31st March, 2021
<b>Tangible Assets</b>												
Freehold land	2,735		404	2	3,137	-		-	-	-	3,137	2,735
Building	20,910		3,083	947	23,046	3,614		761	393	3,982	19,064	17,296
Office Building	-		-	-	-	-		-	-	-	-	-
Plant and Machinery	62,703		6,813	8,464	61,052	30,337		5,010	6,084	29,263	31,789	32,366
Wind Power Machines	874		-	-	874	570		114	-	684	190	304
Electric installation	5,925		66	25	5,966	2,608		528	24	3,112	2,854	3,317
Water supply installation	578		6	-	584	103		22	-	125	459	475
Furniture and fixtures	1,406	23	35	9	1,455	658	10	135	7	796	659	748
Vehicles	1,839		165	134	1,870	699		193	97	795	1,075	1,140
Office equipments	71		37	-	108	53		8	-	61	47	18
Computers	414	2	97	-	513	301	2	53	-	356	157	113
<b>Leased Assets</b>												
Leasehold land	50		-	-	50	5		1	-	6	44	45
<b>Total</b>	<b>97,505</b>	<b>25</b>	<b>10,706</b>	<b>9,581</b>	<b>98,655</b>	<b>38,948</b>	<b>12</b>	<b>6,825</b>	<b>6,605</b>	<b>39,180</b>	<b>59,475</b>	<b>58,557</b>
Previous Year	92,507	-	5,751	753	97,505	30,981	-	8,006	39	38,948	58,557	

**4. RIGHT OF USE OF ASSETS**

(₹ in Lakhs)

Particulars	Gross Block					Depreciation					Net Block	
	As at 31st March, 2021	Acquired on amalgamation*	Additions	Deletions	As at 31st March, 2022	As at 31st March, 2021	Acquired on amalgamation*	Additions	Deletions	As at 31st March, 2022	As at 31st March, 2022	As at 31st March, 2021
Building	-	-	449	-	449	-	-	100	-	-	349	-

**5. CAPITAL WORK-IN-PROGRESS**

(₹ in Lakhs)

<b>Balance as at 1st April, 2020</b>	<b>602</b>
Additions	4048
Assets Capitalised	3769
<b>Balance as at 31st March, 2021</b>	<b>881</b>
Additions	15744
Assets Capitalised	9527
<b>Balance as at 31st March, 2022</b>	<b>7098</b>



Notes to Standalone Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

Capital work-in-progress - Ageing

Particulars	Amount in CWIP for a period of				(₹ in Lakhs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Projects in progress</b>					
As at 31st March, 2022	6,165	809	119	5	7,098
As at 31st March, 2021	661	215	5	-	881

As on the date of the balance sheet, there are no capital work in progress, projects whose completion is overdue or has exceeded the cost, based on approved plan.

6. OTHER INTANGIBLE ASSETS

Particulars	Gross Block				Depreciation				Net Block			
	As at 31st March, 2021	Acquired on amalgamation*	Additions	Deletions	As at 31st March, 2022	As at 31st March, 2021	Acquired on amalgamation*	Additions	Deletions	As at 31st March, 2022	As at 31st March, 2022	As at 31st March, 2021
<b>Intangible Assets</b>												
Software IT (ERP)	574	15	2	-	591	119	9	109	-	237	354	455
<b>Total</b>	<b>574</b>	<b>15</b>	<b>2</b>	<b>-</b>	<b>591</b>	<b>119</b>	<b>9</b>	<b>109</b>	<b>-</b>	<b>237</b>	<b>354</b>	<b>455</b>
Previous Year	144		430	-	574	73		46		119	455	-

7. INTANGIBLE ASSETS UNDER DEVELOPMENT

	(₹ in Lakhs)
<b>Balance as at 1st April, 2020</b>	<b>356</b>
Additions	73
Assets Capitalised	429
<b>Balance as at 31st March, 2021</b>	<b>-</b>
Additions	15
Assets Capitalised	1
<b>Balance as at 31st March, 2022</b>	<b>14</b>

Intangible assets under development - Ageing

Particulars	Amount in Intangible assets under development for a period of				(₹ in Lakhs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Projects in progress</b>					
As at 31st March, 2022	14	-	-	-	14
As at 31st March, 2021	-	-	-	-	-

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

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Opening Balance	3	19
Financial Charges	329	-
Direct Costs Attributable to Project	220	3
<b>Total Amount</b>	<b>552</b>	<b>22</b>
Less: Exp. Apportioned to Property, Plant and Equipment	204	19
<b>Balance yet to be allocated</b>	<b>348</b>	<b>3</b>

Note 1:- Borrowing cost capitalised refer Note No:- 38

Note 2:- Property, Plant and Equipment given as security for borrowings refer Note No:- 22

\* Refer Note No - 53 (a)



Notes to Standalone Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

**8. INVESTMENTS-NON CURRENT**

	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Unquoted</b>		
<b>In Equity Instruments</b>		
<b>(Measured at Cost)</b>		
<b>Unquoted, fully paid up</b>		
<b>Investment in wholly owned Subsidiary Companies</b>		
<b>Equity Shares of ₹ 10/- each fully paid up</b>		
Sangam Lifestyle Ventures Limited	-	5
NIL (Previous Year 50,000)		
<b>Equity Shares of ₹ 10/- each fully paid up</b>		
Sangam Venture Limited	770	-
77,00,000 (Previous Year NIL)		
<b>Investment - Others</b>		
<b>Equity Shares of ₹ 10/- each fully paid-up</b>		
Kaamlo Platform Pvt. Limited	75	-
49,999 (Previous Year NIL)		
PKSS Infrastructure Pvt.. Limited	-	-
3,900 (Previous Year 3900) ₹ 0.39 Lakh (Previous Year ₹ 0.39 Lakh)		
Kalyan Sangam Infratech Limited	4	4
37,500 (Previous Year 37,500)		
<b>Equity Shares of ₹ 20/- each fully paid-up</b>		
AP Mahesh Co-Operative Bank Limited	-	-
50 (Previous Year 50) ₹ 0.01 Lakh (Previous Year ₹ 0.01 Lakh)		
<b>Aggregate Amount of unquoted investments</b>	<b>849</b>	<b>9</b>

**9. OTHER FINANCIAL ASSETS**

	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Security Deposits	2,616	989
<b>TOTAL</b>	<b>2,616</b>	<b>989</b>

**10. OTHER NON-CURRENT ASSETS**

	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Capital Advances	4,571	499
Prepaid Expenses	296	92
<b>TOTAL</b>	<b>4,867</b>	<b>591</b>

**11. INVENTORIES**

	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Raw Materials	24,042	13,374
Stock-in-Process	7,817	7,256
Finished Goods	16,202	13,197
Traded Goods	188	180
Stores, Spares & Fuel	4,548	3,146
<b>TOTAL</b>	<b>52,797</b>	<b>37,153</b>



Value through values

## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

**11.1** For basis of valuation of inventories Refer Note No. 2 J

**11.2** The above Inventories as above are hypothecated against secured short term borrowings (Refer Note No. 25.1)

### 12. TRADE RECEIVABLES

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Undisputed Trade receivables – considered good	37,643	29,396
Undisputed Trade Receivables – credit impaired	283	283
	37,926	29,679
Less: Provision for Trade Receivables	283	283
<b>TOTAL</b>	<b>37,643</b>	<b>29,396</b>

**12.1** Included in the above Receivables amount due from wholly owned subsidiary Company - **1,646**

#### Trade receivables ageing schedule

##### From Other Parties (incl. Associates & JVs)

Particulars	Outstanding from due date of payment						Total
	Not Due	< 6 months	6 months - 1 year	1-2 year	2-3 year	> 3 year	
<b>As at 31<sup>st</sup> March, 2022</b>							
Undisputed Trade receivables – considered good	-	35,642	1,464	515	22	-	37,643
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	220	33	30	283
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	-	<b>35,642</b>	<b>1,464</b>	<b>735</b>	<b>55</b>	<b>30</b>	<b>37,926</b>
<b>As at 31<sup>st</sup> March, 2021</b>							
Undisputed Trade receivables – considered good	-	24,522	594	2,316	290	1,674	29,396
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	110	173	283
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	-	<b>24,522</b>	<b>594</b>	<b>2,316</b>	<b>400</b>	<b>1,846</b>	<b>29,679</b>

### 13. CASH & CASH EQUIVALENTS

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balance with Banks	6	11
Cash on Hand	3	4
<b>TOTAL</b>	<b>9</b>	<b>15</b>

**Notes to Standalone Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)**
**14. BANK BALANCES OTHER THAN (II) ABOVE**

(₹ in Lakhs)

	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
Earmarked Balances with banks for Unclaimed & Unpaid Dividends	23	22
Fixed Deposits with banks against Margin Money*	2,094	969
<b>TOTAL</b>	<b>2,117</b>	<b>991</b>

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

**15. OTHER CURRENT FINANCIAL ASSETS**

(₹ in Lakhs)

	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
<b>(Considered Good)</b>		
Security Deposits	344	272
Recoverable from NHAI UP Towards Arbitration Award (Refer Note No. 45)	1,367	1,367
Export Incentive Receivable	1,306	658
Export Growth Entitlement Receivables	408	408
GST Refund Receivable	1,166	490
Subsidy Receivable	1,090	1,344
Advances for Expenses	20	20
Less : Allowances for Advances	(20)	(20)
Inter Corporate Deposits - Unsecured	-	600
Advance to Employees	112	97
Interest Receivable	267	258
Accrued Income	29	19
Insurance Claim Receivable	1	6
<b>TOTAL</b>	<b>6,090</b>	<b>5,519</b>

**16. CURRENT TAX ASSETS (NET)**

(₹ in Lakhs)

	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
Income Tax Refund Receivable	-	564
<b>TOTAL</b>	<b>-</b>	<b>564</b>

**17. OTHER CURRENT ASSETS**

(₹ in Lakhs)

	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
Recoverable from Govt.	56	52
Advance to Employees	-	4
Advance against Supplies	2,141	3,271
Balances with Revenue Authority	4,469	2,931
Prepaid Expenses	506	279
<b>TOTAL</b>	<b>7,172</b>	<b>6,537</b>

**18. ASSETS CLASSIFIED AS HELD FOR SALE**

(₹ in Lakhs)

	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
Plant & Machinery	776	-
<b>TOTAL</b>	<b>776</b>	<b>-</b>

## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

The Company has shut down its 15MW thermal power point, pursuant to which the Company has classified the same as held for sale. The Plant has been carried at its fair value less cost to sales as its fair value is less than carrying amount in accordance with Ind AS 105. "Non current asset held for sale and discontinued operations". The Company has made partial sale during the year, amounting to ₹ 637 Lakhs.

### 19. EQUITY SHARE CAPITAL

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Authorised Share Capital:</b>		
6,40,00,000 (Previous Year 6,40,00,000) Equity share of ₹ 10 each	6,400	6,400
1,85,00,000 (Previous Year 1,85,00,000) Non - Cumulative Redeemable Preference Shares of ₹ 10 each	1,850	1,850
<b>TOTAL</b>	<b>8,250</b>	<b>8,250</b>
<b>Issued, Subscribed and Paid Up:</b>		
4,34,21,559 (Previous Year 4,34,21,559) Equity share of ₹ 10 each fully paid up	4,342	4,342
<b>TOTAL</b>	<b>4,342</b>	<b>4,342</b>

#### a. Terms and Rights attached to Equity Shares

Each holder of Equity Shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders. There is no restriction on distribution of dividend. However, same is subject to the approval of the shareholders in the Annual General Meeting.

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

Equity Shares as at 31 <sup>st</sup> March, 2021	4,34,21,559	3,94,21,559
Add: Shares Issued During the year	-	40,00,000
<b>Equity Shares as at 31<sup>st</sup> March, 2022</b>	<b>4,34,21,559</b>	<b>4,34,21,559</b>

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

Name of the Shareholder	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	No. of Shares	% held	No. of Shares	% held
Sangam E-Com Limited	78,73,087	18.13	78,73,087	18.13
Authum Investment and Infrastructure Limited	52,35,010	12.06	49,83,634	11.48
Nidhi Mercantiles Limited	38,28,868	8.82	48,98,833	11.28
Anurag Soni	38,38,665	8.84	37,10,397	8.55
Hawamahal Finance Pvt. Limited	23,35,500	5.38	23,35,500	5.38
Sangam Fincap Limited	22,16,145	5.10	22,16,145	5.10

#### d. Detail of Shares held by Promoter and Promoters group

As at 31<sup>st</sup> March, 2022

	No. of Shares as on 31 <sup>st</sup> March, 2022	No. of Shares as on 31 <sup>st</sup> March, 2021	% of total share As at 31 <sup>st</sup> March, 2022	% change in during the Year Ended
Ram Pal Soni HUF	2,48,300	2,48,300	0.57%	0%
Anjana Soni Thakur	2,03,750	2,03,750	0.47%	0%
Radhadevi Soni	7,77,761	7,77,761	1.79%	0%
Mamta Modani	5,05,404	5,05,404	1.16%	0%
Archana Sodani	4,60,774	4,60,774	1.06%	0%
Antima Soni	2,46,050	2,46,050	0.57%	0%
Anurag Soni	38,38,665	37,10,397	8.84%	3%

Notes to Standalone Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

	No. of Shares as on 31 <sup>st</sup> March, 2022	No. of Shares as on 31 <sup>st</sup> March, 2021	% of total share As at 31 <sup>st</sup> March, 2022	% change in during the Year Ended
Ram Pal Soni	14,53,950	14,53,950	3.35%	0%
Shri Niwas Modani	4,99,779	4,99,779	1.15%	0%
Vinod Kumar Sodani (HUF)	5,000	-	0.01%	100%
Badari Lal Rampal Soni HUF	-	1,28,268	0.00%	(100%)
<b>Promoters (A)</b>	<b>82,39,433</b>	<b>82,34,433</b>	<b>18.98%</b>	
Finworth Investment Pvt. Limited	4,75,260	4,75,260	1.09%	0%
Hawamahal Finance Pvt. Limited	23,35,500	23,35,500	5.38%	0%
Necco Shipping Company Pvt. Limited	12,74,744	2,82,450	2.94%	351%
Nikita Credits Pvt. Limited	3,58,200	3,58,200	0.82%	0%
Neelgagan Commercial Company Limited	14,00,000	14,00,000	3.22%	0%
Scorpio Credits Pvt. Limited	5,36,255	5,36,255	1.23%	0%
Sarvodaya Holdings Pvt. Limited	11,27,771	11,27,771	2.60%	0%
Sangam Granite Pvt. Limited	1,20,815	1,20,815	0.28%	0%
Sangam Fincap Limited	22,16,145	22,16,145	5.10%	0%
Sahyog Finance Limited	2,32,750	2,32,750	0.54%	0%
Sangam Suiting Pvt. Limited	2,63,670	2,63,670	0.61%	0%
Park View Investment Pvt. Limited	2,26,065	2,26,065	0.52%	0%
Sangam E Com Limited	78,73,087	78,73,087	18.13%	0%
<b>Promoters Group (B)</b>	<b>1,84,40,262</b>	<b>1,74,47,968</b>	<b>42.47%</b>	
<b>Promoters &amp; Promoters Group (A+B)</b>	<b>2,66,79,695</b>	<b>2,56,82,401</b>	<b>61.44%</b>	

**As at 31st March, 2021**

	No. of Shares as on 31 <sup>st</sup> March, 2021	No. of Shares as on 31 <sup>st</sup> March, 2020	% of total share As at 31 <sup>st</sup> March, 2021	% change in during the Year Ended
Ram Pal Soni HUF	2,48,300	2,48,300	0.57%	0%
Anjana Soni Thakur	2,03,750	3,750	0.47%	5333%
Radhadevi Soni	7,77,761	3,77,761	1.79%	106%
Mamta Modani	5,05,404	1,05,404	1.16%	380%
Archana Sodani	4,60,774	60,774	1.06%	658%
Antima Soni	2,46,050	46,050	0.57%	434%
Anurag Soni	37,10,397	27,10,397	8.55%	37%
Ram Pal Soni	14,53,950	4,53,950	3.35%	220%
Shri Niwas Modani	4,99,779	99,779	1.15%	401%
Badari Lal Rampal Soni HUF	1,28,268	1,28,268	0.30%	0%
<b>Promoters (A)</b>	<b>82,34,433</b>	<b>42,34,433</b>	<b>18.96%</b>	
Finworth Investment Pvt. Limited	4,75,260	4,75,260	1.09%	0%
Hawamahal Finance Pvt. Limited	23,35,500	23,35,500	5.38%	0%
Necco Shipping Company Pvt. Limited	2,82,450	2,82,450	0.65%	0%
Nikita Credits Pvt. Limited	3,58,200	3,58,200	0.82%	0%
Neelgagan Commercial Company Limited	14,00,000	14,00,000	3.22%	0%
Scorpio Credits Pvt. Limited	5,36,255	5,36,255	1.23%	0%
Sarvodaya Holdings Pvt. Limited	11,27,771	11,27,771	2.60%	0%
Sangam Granite Pvt. Limited	1,20,815	1,20,815	0.28%	0%
Sangam Fincap Limited	22,16,145	22,16,145	5.10%	0%
Sahyog Finance Limited	2,32,750	2,32,750	0.54%	0%
Sangam Suiting Pvt. Limited	2,63,670	2,63,670	0.61%	0%
Park View Investment Pvt. Limited	2,26,065	2,26,065	0.52%	0%
Sangam E Com Limited	78,73,087	78,73,087	18.13%	0%
<b>Promoters Group (B)</b>	<b>1,74,47,968</b>	<b>1,74,47,968</b>	<b>40.18%</b>	
<b>Promoters &amp; Promoters Group (A+B)</b>	<b>2,56,82,401</b>	<b>2,16,82,401</b>	<b>59.15%</b>	



Notes to Standalone Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

**20. OTHER EQUITY**

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Capital Reserve</b>		
Balance at the beginning of the year	297	297
Addition during the Financial Year	-	-
<b>Balance at the end of the year</b>	<b>297</b>	<b>297</b>
<b>Securities Premium</b>		
Balance at the beginning of the year	7,468	5,868
Addition during the Financial Year	-	1,600
<b>Balance at the end of the year</b>	<b>7,468</b>	<b>7,468</b>
<b>Preference Share Capital Redemption Reserve</b>		
Balance at the beginning of the year	1,178	1,178
Addition during the Financial Year	-	-
<b>Balance at the end of the year</b>	<b>1,178</b>	<b>1,178</b>
<b>General Reserve</b>		
Balance at the beginning of the year	22,818	22,818
Addition during the Financial Year	-	-
<b>Balance at the end of the year</b>	<b>22,818</b>	<b>22,818</b>
<b>Retained Earnings</b>		
Balance at the beginning of the year	19,834	19,431
Add: Profit for the year	14,093	538
Add: Other comprehensive income / (loss) for the year	123	259
Less: On account of merger of subsidiary Company (Refer Note No. 53 (a))	(597)	-
Less: On account of merger of subsidiary Company (Refer Note No. 53 (b))	(71)	-
Less: Appropriations		
Dividend on Equity Shares - ₹ 1/- per share, (P.Y. ₹ 1/- per share)	435	394
<b>Balance at the end of the year</b>	<b>32,947</b>	<b>19,834</b>
<b>Other Comprehensive Income</b>		
Balance at the beginning of the year	25	(210)
Addition during the year	(19)	235
<b>Balance at the end of the year</b>	<b>6</b>	<b>25</b>
<b>TOTAL</b>	<b>64,714</b>	<b>51,620</b>

**Nature and Purpose of Other Reserves / Other Equity**

**20.1 Capital Reserve**

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

**20.2 Securities Premium**

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

**20.3 Preference Share Capital Redemption Reserve**

## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

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

### 20.4 General Reserve

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

### 20.5 Remeasurement of defined benefit plans

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

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

### 20.6 Dividend

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

	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Dividend for the year ended 31 <sup>st</sup> March, 2021 ₹ 1 per share (31 <sup>st</sup> March, 2020 ₹ 1 per share)	435	394
<b>TOTAL</b>	<b>435</b>	<b>394</b>

## 21. SHARE WARRANTS

	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Share Warrants	2,565	-
<b>TOTAL</b>	<b>2,565</b>	<b>-</b>

During the year, The Company has made preferential issue of 57,00,000 Convertible share warrant of ₹ 180 each (Face value of ₹ 10 each) in accordance with SEBI guidelines and has received 25 % upfront money amounting to ₹ 2,565 Lakhs. The Balance 75% of the Warrant Issue price shall be paid by the warrant holder at the time of Exercise of option of Shares. The same shall be convertible in to 1 Fully paid up equity shares of ₹ 10 each within 18 Months from the date of Issue of Allotment of Warrants.

## 22. BORROWINGS

	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Secured</b>		
<b>Term Loans From Banks</b>		
Rupee Loans	17,617	19,945
Vehicle Loans	438	493
<b>TOTAL</b>	<b>18,055</b>	<b>20,438</b>

## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

**22.1** All Term Loans from banks (including current maturities) except vehicle loan are secured by a joint equitable mortgage by deposit of title deeds in respect of all immovable properties and first hypothecation of the entire moveable properties of the Company, both present and future (save and except book debts) subject to prior charges created/to be created in favour of bankers for securing working capital borrowing, ranking pari-passu with the charges created / to be created in favour of other participating bankers. The above Term Loans are further secured by personal guarantee of two directors of the Company.

**22.2** Vehicle Loans (including current maturities) are secured by hypothecation of respective vehicle(s).

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

### Term Loans from Banks & Financial Institutions

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

(₹ in Lakhs)

Date of maturity	Outstanding as on 31 <sup>st</sup> March, 2022			Instalments due after 31 <sup>st</sup> March, 2022 (Qtrly)
	Total Outstanding	Long Term Maturity	Current Maturity	
<b>(a) From Banks:</b>				
20th March, 2024	1,200	600	600	8
30th June, 2024	1,800	1,000	800	9
31st December, 2024	2,737	1,537	1,200	11
01st July, 2025	3,278	2,572	707	13
30th June, 2026	7,814	6,114	1,700	17
01st October, 2028	2,048	1,845	203	27
01st January, 2031	2,334	2,334	-	32
01st January, 2031	1,557	1,556	-	32
01st January, 2032	59	59	-	32
<b>Sub Total (A)</b>	<b>22,827</b>	<b>17,617</b>	<b>5,210</b>	

#### B) Carrying interest rate 1 yr MCLR )

(₹ in Lakhs)

Date of maturity	Outstanding as on 31 <sup>st</sup> March, 2022			Instalments due after 31 <sup>st</sup> March, 2022 (Monthly)
	Total Outstanding	Long Term Maturity	Current Maturity	
<b>(a) From Banks:</b>				
31st July, 2022	454	-	454	-
<b>Sub Total (B)</b>	<b>454</b>	<b>-</b>	<b>454</b>	

#### C) Carrying interest rate 1 yr MCLR+0.50% )

(₹ in Lakhs)

Date of maturity	Outstanding as on 31 <sup>st</sup> March, 2022			Instalments due after 31 <sup>st</sup> March, 2022 (Monthly)
	Total Outstanding	Long Term Maturity	Current Maturity	
<b>(a) From Banks:</b>				
31st July, 2022	348	-	348	-
<b>Sub Total (C)</b>	<b>348</b>	<b>-</b>	<b>348</b>	
<b>Total (A+B+C)</b>	<b>23,629</b>	<b>17,617</b>	<b>6,012</b>	



Notes to Standalone Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

**Vehicle Loans from Banks**

Carrying Fixed interest rate 6.85% to 10.01%

(₹ in Lakhs)

Date of maturity	Outstanding as on 31 <sup>st</sup> March, 2022			Instalments due after 31 <sup>st</sup> March, 2022 (Monthly)
	Total Outstanding	Long Term Maturity	Current Maturity	
From Banks	606	438	168	2-70
<b>Sub Total ('C)</b>	<b>606</b>	<b>438</b>	<b>168</b>	
<b>Total (A+B+C)</b>	<b>24,235</b>	<b>18,055</b>	<b>6,180</b>	

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

(₹ in Lakhs)

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

**B) Carrying interest rate (1 Year MCLR)**

(₹ in Lakhs)

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

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

(₹ in Lakhs)

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



Notes to Standalone Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

**Vehicle Loans from Banks & Financial Institutions**

**D) Carrying Fixed interest rate 7.5% to 10.60%**

(₹ in Lakhs)

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

**23. LEASE LIABILITY**

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Lease Liability (Refer Note No :- 54)	219	-
<b>Total</b>	<b>219</b>	<b>-</b>

**24. DEFERRED TAX LIABILITIES (NET)**

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Deferred Tax Assets</b>		
Accrued expenses allowable on payment basis	237	715
Allowance for Bad & Doubtful Debts	71	106
<b>sub total (a)</b>	<b>308</b>	<b>821</b>
<b>Deferred Tax Liabilities</b>		
Related to Property, Plant and Equipment and Intangible Assets	4,078	6,183
Others	16	13
<b>sub total (b)</b>	<b>4,094</b>	<b>6,196</b>
<b>Less : MAT Credit Entitlement ©*</b>	<b>-</b>	<b>246</b>
<b>Deferred Tax Liabilities (Net) (b)-(a)-(c)</b>	<b>3,786</b>	<b>5,129</b>

\*Derecognised on utilising the option for the application of section 115BAA of the Income Tax Act 1961

(₹ in Lakhs)

A. Movement in deferred tax balances	As at 31 <sup>st</sup> March, 2021	Recognised in P&L	Recognised in OCI	As at 31 <sup>st</sup> March, 2022
<b>As at 31<sup>st</sup> March, 2022</b>				
<b>(a) Deferred Tax Assets</b>				
Accrued expenses allowable on payment basis	715	(437)	(41)	237
Allowance for Bad & Doubtful Debts	106	(35)	-	71
<b>Sub-Total (a)</b>	<b>821</b>	<b>(472)</b>	<b>(41)</b>	<b>308</b>
<b>(b) Deferred Tax Liabilities</b>				
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	6,183	(2,105)	-	4,078
Fair value changes on derivatives designated as cash flow hedges	13	9	(6)	16
<b>Sub-Total (b)</b>	<b>6,196</b>	<b>(2,096)</b>	<b>(6)</b>	<b>4,094</b>

Notes to Standalone Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

(₹ in Lakhs)

A. Movement in deferred tax balances	As at 31 <sup>st</sup> March, 2021	Recognised in P&L	Recognised in OCI	As at 31 <sup>st</sup> March, 2022
<b>MAT Credit Entitlement</b>				
MAT Credit Earlier Year	246	(235)	-	-
MAT Credit Current Year	-	-	-	-
<b>Sub-Total (c)</b>	<b>246</b>	<b>(235)</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax Liabilities (Net) (b)-(a)-(c)</b>	<b>5,129</b>	<b>(1,389)</b>	<b>35</b>	<b>3,786</b>

(₹ in Lakhs)

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

(₹ in Lakhs)

B. Amounts recognised in profit or loss	For the Year Ended 31 <sup>st</sup> March, 2022	For the Year Ended 31 <sup>st</sup> March, 2021
<b>Current tax expense</b>		
Current Year	5,304	724
Earlier Years	429	(647)
	<b>5,733</b>	<b>77</b>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(1,389)	(272)
	<b>(1,389)</b>	<b>(272)</b>
<b>Total Tax Expense</b>	<b>4,344</b>	<b>(195)</b>



Notes to Standalone Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

(₹ in Lakhs)

C. Amounts recognised in Other Comprehensive Income	For the year ended 31 <sup>st</sup> March, 2022		
	Before tax	Tax (Expense) / Income	Net of tax
Remeasurements of defined benefit liability	164	(41)	123
Fair value changes on derivatives designated as cash flow hedges	(25)	6	(19)
<b>TOTAL</b>	<b>139</b>	<b>(35)</b>	<b>104</b>

	For the year ended 31 <sup>st</sup> March, 2021		
	Before tax	Tax (Expense) / Income	Net of tax
Remeasurements of defined benefit liability	398	(139)	259
Fair value changes on derivatives designated as cash flow hedges	362	(127)	235
	<b>760</b>	<b>(266)</b>	<b>494</b>

(₹ in Lakhs)

D. The income tax expenses for the year reconciled to the accounting profit as follows :	2021-22	2020-21
Profit Before Tax	18,437	343
Applicable Tax Rate*	25.17%	34.94%
Computed Tax Expense	4,641	120
<b>Tax effect of :</b>		
Exempted income / Items Considered Separately	-	(49)
Expenses Disallowed	875	850
Additional Allowances	(212)	(197)
<b>Current Tax Provision (A)</b>	<b>5,304</b>	<b>724</b>
Incremental Deferred Tax Liability on account of Tangible and Intangible Assets	(1,389)	(272)
<b>Taxes recognised in Statement of Profit &amp; Loss (B)</b>	<b>(1,389)</b>	<b>(272)</b>
<b>Net Taxes (A+B)</b>	<b>3,915</b>	<b>452</b>
Effective Tax Rate	21.23%	131.68%

\*The Company elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws(Amendment) ordinance, 2019. Accordingly, the Company has recognised provision for current tax for the quarter and year ended 31<sup>st</sup> March, 2022 basis the rate prescribed in that section.

## 25. BORROWINGS

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Secured</b>		
<b>Loans Repayable on Demand from Banks</b>		
Rupee Loans	10,698	23,944
Current maturities of long term debt	6,179	7,567
Foreign Currency Loans	25,737	7,002
<b>TOTAL</b>	<b>42,614</b>	<b>38,513</b>

**Notes to Standalone Financial Statements**  
**For the year ended 31<sup>st</sup> March, 2022 (Contd.)**

(₹ in Lakhs)

Particulars	As at	As at
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Unsecured</b>		
<b>Loans Repayable on Demand from Others</b>		
Rupee Loans (Refer Note No. 25.4)	15,370	-
<b>TOTAL (B)</b>	<b>15,370</b>	<b>-</b>
<b>TOTAL (A+B)</b>	<b>57,984</b>	<b>38,513</b>

**25.1** Borrowings from Banks for working capital are secured by hypothecation of inventories and charge on book debts both present and future and second charge on all the immoveable and moveable Property, Plant & Equipments of the Company. The above borrowing are further secured by personal guarantee of two directors of the Company. There is no default in repayment or interest or principal amount of any loans on due dates.

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

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

**25.4** Unsecured Loans comprises of discounting and rediscounting facility availed from various NBFCS and third party platforms as registered under RBI regulations, for discounting the bills. The Company has to make the outstanding payments to the NBFCS & third party in accordance with the agreement and procedural guidelines, on the due date. The Interest rate for the same is up to 11.00%.

**26. LEASE LIABILITIES**

(₹ in Lakhs)

Particulars	As at	As at
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Lease Liability (Refer Note No :- 54)	143	-
<b>TOTAL</b>	<b>143</b>	<b>-</b>

**27. TRADE PAYABLES**

(₹ in Lakhs)

Particulars	As at	As at
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Total outstanding dues of Micro enterprises and Small enterprises (Refer Note No. 46)	1,128	630
Total outstanding dues of creditors other than micro enterprises and Small enterprises	12,242	10,942
<b>TOTAL</b>	<b>13,370</b>	<b>11,572</b>

**Trade Payable Ageing Schedule**
**As at 31st March, 2022**

(₹ in Lakhs)

Particulars	Outstanding from due date of payment					Total
	Unbilled	< 1 year	1-2 year	2-3 year	> 3 year	
<b>Undisputed ;</b>						
Total outstanding dues of micro enterprises and small enterprises	-	1,128	-	-	-	<b>1,128</b>
Total outstanding dues of creditors other than micro enterprises and small enterprises	670	10,979	440	148	5	<b>12,242</b>
<b>Disputed ;</b>	-	-	-	-	-	<b>-</b>
<b>Total</b>	<b>670</b>	<b>12,107</b>	<b>440</b>	<b>148</b>	<b>5</b>	<b>13,370</b>



## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

As at 31st March, 2021

Particulars	Outstanding from due date of payment					Total
	Unbilled	< 1 year	1-2 year	2-3 year	> 3 year	
<b>Undisputed ;</b>						
Total outstanding dues of micro enterprises and small enterprises	-	630	-	-	-	<b>630</b>
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	10,681	190	7	64	<b>10,942</b>
<b>Disputed ;</b>	-	-	-	-	-	-
<b>Total</b>	-	<b>11,311</b>	<b>190</b>	<b>7</b>	<b>64</b>	<b>11,572</b>

### 28. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Interest accrued but not due on borrowings	58	75
Unpaid Dividends #	22	22
Creditors for Capital Expenditure	1,800	895
Security Deposits	504	378
Liability towards Staff and Workers	2,132	1,805
Commission Payable on Sales	1,878	1,188
Liabilities for Expenses *	6,598	2,978
<b>TOTAL</b>	<b>12,992</b>	<b>7,341</b>
# There is no overdue amount to be credited to investor education & protection fund.		
* Include total outstanding dues of micro enterprises and small enterprises	20	21

### 29. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Security Deposits	-	2
Advance from Customers	1,202	713
Liabilities for Expenses	67	76
Statutory Dues	504	237
<b>TOTAL</b>	<b>1,773</b>	<b>1,028</b>

### 30. CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Income Tax payable	384	-
<b>TOTAL</b>	<b>384</b>	-

### 31. PROVISIONS

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Provisions for Employee Benefits	1,899	1,674
<b>TOTAL</b>	<b>1,899</b>	<b>1,674</b>

Notes to Standalone Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

### 32. REVENUE FROM OPERATIONS

	(₹ in Lakhs)	
	2021-22	2020-21
Sale of Products/ Income from Services	2,43,776	1,35,355
<b>TOTAL</b>	<b>2,43,776</b>	<b>1,35,355</b>

	(₹ in Lakhs)	
<b>PARTICULARS OF SALE OF PRODUCTS/SERVICES</b>	<b>2021-22</b>	<b>2020-21</b>
<b>a) Sale of Products</b>		
Finished Goods	2,23,554	1,26,978
Traded Goods	8,001	959
<b>TOTAL</b>	<b>2,31,555</b>	<b>1,27,937</b>
<b>b) Sale of Services</b>		
Job Processing	7,037	5,081
<b>TOTAL</b>	<b>7,037</b>	<b>5,081</b>
<b>c) Other Operating Revenues</b>		
Sale of Waste	1,597	1,074
Export Benefits / Incentives	3,587	1,263
<b>TOTAL</b>	<b>5,184</b>	<b>2,337</b>
<b>TOTAL (a+b+c)</b>	<b>2,43,776</b>	<b>1,35,355</b>

### 33. OTHER INCOME

	(₹ in Lakhs)	
	2021-22	2020-21
<b>Interest Income on Financial Assets at amortised cost</b>		
from Customers	238	341
from Others	179	101
<b>Other Non-Operating Income</b>		
Insurance Claim	3	5
Rent	57	4
Net Gain on Foreign Currency Fluctuation	72	359
Profit on Sale of Property, Plant & Equipment (Net)	121	140
Miscellaneous Receipts	46	32
<b>TOTAL</b>	<b>716</b>	<b>982</b>

### 34. COST OF MATERIALS CONSUMED

	(₹ in Lakhs)	
	2021-22	2020-21
Raw Material Consumed	1,23,792	65,462
Consumption of Dyes & Chemical	9,691	5,231
<b>TOTAL</b>	<b>1,33,483</b>	<b>70,693</b>

### 35. PURCHASES OF STOCK IN TRADE

	(₹ in Lakhs)	
	2021-22	2020-21
Stock in Trade – Yarn	811	-
Stock in Trade – Fabric	2,969	894
Stock in Trade – Readymade Garment	-	-
Stock in Trade – Seamless Garment	696	-
<b>TOTAL</b>	<b>4,476</b>	<b>894</b>



Notes to Standalone Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

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

	(₹ in Lakhs)	
	2021-22	2020-21
<b>Inventories at the end of the year</b>		
Finished Goods	16,202	13,197
Work-in-Progress	7,818	7,256
	<b>24,020</b>	<b>20,453</b>
<b>Inventories at the beginning of the year</b>		
Finished Goods	13,197	16,843
Work-in-Progress	7,256	6,349
	<b>20,453</b>	<b>23,192</b>
<b>(INCREASE) / DECREASE IN INVENTORY</b>	<b>(3,567)</b>	<b>2,739</b>

**37. EMPLOYEE BENEFITS EXPENSE**

	(₹ in Lakhs)	
	2021-22	2020-21
Salaries and Wages	18,614	13,765
Contribution to Provident and Other Funds	1,327	929
Staff Welfare Expenses	154	122
<b>TOTAL</b>	<b>20,095</b>	<b>14,816</b>

**38. FINANCE COSTS**

	(₹ in Lakhs)	
	2021-22	2020-21
Interest Expenses	4,292	4,492
Other Borrowing Costs	488	351
Loss on foreign currency transactions and translation (Considered as finance cost)	-	80
<b>TOTAL</b>	<b>4,780</b>	<b>4,923</b>
Net of interest Capitalised (Refer note no. 3)	31	-
Net of interest Subsidy (TUF /RIPS)	360	750

**39. DEPRECIATION AND AMORTISATION EXPENSE**

	(₹ in Lakhs)	
	2021-22	2020-21
Depreciation on Tangible Assets	6,925	8,006
Amortisation of Intangible Assets	109	46
<b>TOTAL</b>	<b>7,034</b>	<b>8,052</b>

**40. POWER & FUEL**

	(₹ in Lakhs)	
	2021-22	2020-21
Power and Fuel Expenses	24,539	15,747
<b>TOTAL</b>	<b>24,539</b>	<b>15,747</b>

**41. OTHER EXPENSES**

	(₹ in Lakhs)	
	2021-22	2020-21
<b>A. Manufacturing Expenses</b>		
Stores & Spares Consumed	3,950	3,147



**Notes to Standalone Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)**

(₹ in Lakhs)

	<b>2021-22</b>	<b>2020-21</b>
Packing Material Consumed	2,930	1,693
Processing and Job Charges	3,365	2,020
Repairs To : Plant & Machinery	473	353
: Building	76	73
: Others	54	38
Misc. Manufacturing Expenses	2,313	1,600
<b>Sub Total (A)</b>	<b>13,161</b>	<b>8,924</b>
<b>B. Administrative Expenses</b>		
Rent (including short term lease rent )	184	227
Rates & Taxes	180	77
Payments to Auditors : Statutory Audit Fees	19	14
Reimbursement of Expenses	1	-
Cost Audit Fees	1	1
Insurance Premium	539	459
Directors' Travelling	34	1
Travelling & Conveyance	183	81
Telephone & Postage	364	147
Directors' Remuneration	1,295	381
Printing & Stationery	38	20
Legal & Professional Fees	418	197
Vehicle Running & Maintenance	524	414
Director's Sitting Fees	18	13
Charity and Donations	1	-
Advances Written Off	128	252
Miscellaneous Expenses	373	226
Contribution towards CSR (Refer Note No. 56)	33	97
<b>Sub Total (B)</b>	<b>4,333</b>	<b>2,607</b>
<b>C. Selling &amp; Distribution Expenses</b>		
Sales Commission & Brokerage	3,796	1,910
Freight, Octroi and Other Selling Expenses	10,516	3,826
Provision for Doubtful Debts*	2,180	863
<b>Sub Total (C)</b>	<b>16,492</b>	<b>6,599</b>
<b>TOTAL (A+B+C+D)</b>	<b>33,986</b>	<b>18,130</b>

\*(Bad Debts written off ₹ 2180 Lakhs (Previous Year ₹ 861 Lakhs) out of Provision for Doubtful Debts)

**42. EXCEPTIONAL ITEMS**

(₹ in Lakhs)

	<b>2021-22</b>	<b>2020-21</b>
Impairment loss on Assets Classified as Held for Sale	1,229	-
<b>TOTAL</b>	<b>1,229</b>	<b>-</b>

The Impairment loss is on account of Assets classified as held for sale being valued Recoverable amount since its Recoverable amount is lower than its Carrying amount.

The difference between the same has been shown as Impairment Loss in accordance with Ind AS 36.



## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

### 43. OTHER COMPREHENSIVE INCOME

	(₹ in Lakhs)	
	2021-22	2020-21
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement of defined benefit plans	164	398
Tax relating to remeasurement of defined benefit plans	(41)	(139)
<b>Sub Total (A)</b>	<b>123</b>	<b>259</b>
<b>Items that will be reclassified to profit or loss</b>		
Fair value changes on derivatives designated as cash flow hedges	(25)	362
Tax on items that will be reclassified subsequently to Profit & Loss	6	(127)
<b>Sub Total (B)</b>	<b>(19)</b>	<b>235</b>
<b>TOTAL (A+B)</b>	<b>104</b>	<b>494</b>

### 44. EARNINGS PER SHARE (EPS)

	(₹ in Lakhs)	
	2021-22	2020-21
i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders ₹ in Lakhs	15,251	538
Less : Exceptional Items	1,229	-
Net Profit after Exceptional Items	14,022	538
ii) Weighted Average number of equity shares used as denominator for calculating EPS	4,34,21,559	4,04,29,778
iii) Weighted Average number of potential equity shares added as denominator for calculating Diluted EPS	2,30,250	-
iv) Basic Earning per share ( before exceptional items )	35.12	1.33
v) Basic Earning per share ( after exceptional items )	32.29	1.33
vi) Diluted Earning per share ( before exceptional items )	34.94	1.33
vii) Diluted Earning per share ( after exceptional items )	32.12	1.33
viii) Face Value per equity share (₹)	10	10

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

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

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

	(₹ in Lakhs)	
Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
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*	1148	651
- Interest due on above	-	-

## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	-	-

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

\* Include total outstanding dues of micro enterprises and small enterprises of ₹ 1128 Lakhs (Previous Year ₹ 630 Lakhs) included in Trade Payables.

\* Include total outstanding dues of micro enterprises and small enterprises of ₹ 20 Lakhs (Previous Year ₹ 21 Lakhs) in other liabilities under the other current financial liabilities.

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

#### (A) Details of Related Parties

##### 1 Wholly Owned Subsidiary Company

Sangam Ventures Limited (Incorporated on 3<sup>rd</sup> December, 2021)

##### 2 Key Managerial Personnel (KMP)

Shri R.P. Soni	Chairman
Dr. S.N. Modani	Managing Director & Chief Executive Officer
Shri V.K. Sodani	Executive Director
Shri Anurag Soni	Director & Chief Financial Officer
Shri A.K. Jain	Company Secretary

##### 3 Non Executive Director/ Independent Director

Shri Achintya Karati  
Shri T.K. Mukhopadhyay  
Smt Jyoti Sharma  
Shri Yaduvendra Mathur

##### 4 Relatives of Key Managerial Personnel (KMP)

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

##### 5 Other Related Parties

SMW Ispat Pvt. Limited (Director common)  
(Formerly known as "Mahalaxmi TMT Pvt. Limited)



## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

Sangam E-com Limited (Director Common)  
Raj Rajeshwar Enterprises Pvt. Limited (Relative of Director is member)  
Laddha Construction Company Pvt Limited (Relative of Director is member)  
R.P. Soni HUF (Director is karta)  
M/s Badri Lal Soni Charitable Trust (Director is trustee)  
M/s Kesar Bai Soni Charitable Trust (Director is trustee)  
Sangam Business Credit Limited (Person acting in concert)  
Nikita Credit Pvt. Limited (Person acting in concert)  
Fashion Funda.com Pvt. Limited (Person acting in concert)

### (B) DISCLOSURE OF RELATED PARTY TRANSACTIONS:

				(₹ in Lakhs)	
S. No.	Nature of transaction/relationship/major parties	Relationship	2021-22	2020-21	
			Amount	Amount	
<b>1</b>	<b>Purchase of goods &amp; services (including commission paid)</b>				
	<b>(a) Purchase of Land</b>				
	Laddha Construction Company Pvt. Limited	Other Related Parties	-	1,199	
	<b>(b) Purchase of Goods</b>				
	SMW Ispat Pvt. Limited	Other Related Parties	1,185	-	
<b>2</b>	<b>Sale of goods/contract revenue &amp; services</b>				
	<b>Sale of Services</b>				
	SMW Ispat Pvt. Limited	Other Related Parties	-	52	
<b>3</b>	<b>Lease Liability Paid</b>				
	Shri Ram Pal Soni	Key Managerial Personnel (KMP)	8	-	
	Shri Anurag Soni	Key Managerial Personnel (KMP)	14	13	
	Smt Radha Devi Soni	Relatives of Key Managerial Personnel (KMP)	74	90	
	Smt Mamta Modani	Relatives of Key Managerial Personnel (KMP)	5	5	
	Smt Antima Bass	Relatives of Key Managerial Personnel (KMP)	14	18	
	Smt Krippie Soni	Relatives of Key Managerial Personnel (KMP)	24	6	
	R.P. Soni HUF	Other Related Parties	12	12	
	Laddha Construction Company Pvt. Limited	Other Related Parties	39	23	
<b>4</b>	<b>Rent received</b>				
	Sangam Ventures Limited	Wholly Owned Subsidiary Company	2	-	
<b>5</b>	<b>Insurance paid for</b>				
	(a) Key Managerial Personnel				
	Dr. S.N. Modani	Key Managerial Personnel (KMP)	12	12	
	Shri V.K. Sodani	Key Managerial Personnel (KMP)	12	-	
	Shri Anurag Soni	Key Managerial Personnel (KMP)	14	10	

Notes to Standalone Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

(₹ in Lakhs)

S. No.	Nature of transaction/relationship/major parties	Relationship	2021-22	2020-21
			Amount	Amount
<b>6</b>	<b>Compensation paid to key management personnel:</b>			
	<b>Remuneration</b>			
	<b>(1) Short-term employment benefits / Salary</b>			
	<b>(i) Key Managerial Personnel</b>			
	Shri R.P. Soni		320	193
	Dr. S.N. Modani		159	106
	Shri V.K. Sodani		66	57
	Shri Anurag Soni		75	47
	Shri A.K. Jain		8	6
	<b>(ii) Relatives of Key Managerial Personnel</b>			
	Smt Mamta Modani		48	12
	Smt Archana Sodani		24	6
	Shri Pranal Modani		43	29
	Smt Palak Modani		11	7
	Smt Sakshi Modani	Relative of Director	8	-
	Smt Mihika Sodani	Relative of Director	77	48
	<b>(2) Director Sitting fees</b>			
	Shri Achintya Karati		5	6
	Shri T.K. Mukhopadhyay		5	6
	Smt Jyoti sharma		3	2
	Shri Yaduvendra Mathur		4	-
	<b>(3) Commission</b>			
	Shri R.P. Soni		208	6
	Shri. S.N. Modani		208	6
	Shri V.K. Sodani		52	2
	Shri Anurag Soni		208	-
	<b>(4) Investment in Subsidiary</b>			
	Sangam Ventures Limited			
	Equity Share Capital		770	-
	<b>(5) Advances to suppliers</b>			
	Advance to suppliers of Sangam Ventures Limited		407	-
<b>7</b>	<b>Expenditure Incurred in CSR</b>			
	(i) M/S Badri Lal Soni Charitable Trust	Other Related Parties	29	7
	(ii) M/S Kesar Bai Soni Charitable Trust	Other Related Parties	11	56

**(C) Amount due to/from related parties:**

(₹ in Lakhs)

S. No.	Nature of transaction/relationship/major parties	Relationship	2020-21	2019-20
			Amount	Amount
<b>1</b>	<b>Trade &amp; Other Receivables</b>			
	Sangam Ventures Limited	Wholly Owned Subsidiary Company	407	-
<b>2</b>	<b>Other Payables</b>			
	SMW Ispat Pvt. Limited	Other Related Parties	49	-

## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

### 48. CONTINGENT LIABILITIES AND COMMITMENTS

		(₹ in Lakhs)	
		2021-22	2020-21
<b>(I) Contingent Liabilities:</b>			
<b>(a) Guarantees:</b>			
	Outstanding Bank Guarantees (Excluding Financial Guarantees)	413	365
<b>(b) Other Money for which the Company is contingently liable:</b>			
1	Stamp Duty dispute pending with Rajasthan High Court, Jodhpur under Rajasthan Stamp Duty Act, 1998.	89	109
2	Various cases pending with Central Excise under Central Excise Act, 1944 & Service Tax cases under Finance Act, 1994 (Net of amount fully provided).	452	452
3	Dispute of Fixed Charges recovery pending with APTEL, New Delhi under Electricity Act, 2003.	42	66
4	Entry Tax dispute for the year 2014-15 & 2015-16 under The Rajasthan Tax on Entry of Goods into Local Area Act, 1999 regarding to interest /penalty.	47	47
<b>5 Disputed VAT Liabilities under The Rajasthan Value Added Tax Act, 2003 in respect of :</b>			
5.1	Input Tax Credit	7	257
6	Disputes on various tolls for which Company is contingently liable.	243	243
<b>(II) Commitments:</b>			
(a)	Estimated amount of contracts (Net of advances) remaining to be executed on capital and not provided for.	5,073	2,471
(b)	In respect of Capital goods imported at the concessional rate of duty under the Export Promotion Capital goods scheme, the Company has approximate exports obligations which is required to be met at the different due dates before 31 <sup>st</sup> March, 2028. In the event of non-fulfillment of these export obligation, the Company will be liable to pay customs duties and penalties, as applicable.	10,208	351

### 49. SEGMENT INFORMATION

#### Operating Segment

Based on the management approach as defined in IND AS 108 – Operating Segments, the Chief Operating Decision Maker (“CODM”) evaluates the Company’s performance and allocates resources based on an analysis of various indicators of business segment/s in which the Company operates. The Company is primarily engaged in the business of textile manufacturing which the management and CODM recognise as the sole business segment. Hence disclosure of segment-wise information is not required and accordingly not provided.

The other applicable information applicable where there is only one segment as required in accordance with IND AS 108 – Operating Segments, are as under:

- (a) The Company does not have the information in respect of the revenues from external customers for each product and service, or each group of similar products and services, and the cost to develop such system will be highly excessive. Accordingly such information is not disclosed as allowed by para 32 of IND AS 108.
- (b) Revenues

		(₹ in Lakhs)	
		2021-22	2020-21
	Domestic	1,51,641	93,065
	Export	92,135	42,290
	<b>TOTAL</b>	<b>2,43,776</b>	<b>1,35,355</b>

## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

Revenues from external customers attributed to an individual foreign country are not material. The revenue from the foreign countries are attributed from the countries wherein the actual exports are made.

There are no assets in foreign countries held by the Company except the amounts due from the exports.

- (c) The Company does not have any major single customers / group of external customer having 10% of its revenue.

### 50. EMPLOYEE BENEFITS

The Company contributes to the following post-employment defined benefit plans in India.

#### (i) Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

(₹ in Lakhs)

Particulars	For the year ended	
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Contribution to government Provident Fund	982	674

#### (ii) Defined Benefit Plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liability is being contributed to the gratuity fund formed by the Company. Company makes contributions to Group Gratuity Schemes administrated by the LIC of India.

#### Other long term employee benefit plans

##### Compensated absences

Every employee is entitled to paid leave as per the Company's policies. The employees are allowed to avail leave and carry forward a specified number of days, the same is encashable during the service period and at the time of separation from the Company or retirement, whichever is earlier.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31<sup>st</sup> March, 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

- A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Leave encashment	
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Net defined benefit (liability) / asset	1,796	1,560	103	114
Non-current	-	-	-	-
Current	1,796	1,560	103	114

Notes to Standalone Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

**B. Movement in net defined benefit (asset) liability**

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	Gratuity (Funded)				Leave Encashment (Funded)							
	31 <sup>st</sup> March, 2022		31 <sup>st</sup> March, 2021		31 <sup>st</sup> March, 2022		31 <sup>st</sup> March, 2021					
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability			
Balance as at 1 <sup>st</sup> April, 2021	2,080	520	1,560	2,195	683	1,512	434	320	114	524	301	223
Balance as at 1 <sup>st</sup> April, 2021 (Amalgamating Company*)	15		15				8		8			
<b>Included in profit or loss</b>												
Current service cost	449	-	449	482	-	482	196	-	196	211	-	211
Interest cost (income)	135	-	135	138	-	138	30	-	30	33	-	33
	<b>584</b>	<b>-</b>	<b>584</b>	<b>620</b>	<b>-</b>	<b>620</b>	<b>226</b>	<b>-</b>	<b>226</b>	<b>244</b>	<b>-</b>	<b>244</b>
<b>Included in OCI</b>												
Remeasurements loss (gain)												
- Actuarial loss (gain) arising from:												
- demographic assumptions												
- financial assumptions	(74)	-	(74)	2	-	2	(14)	-	(14)	1	-	1
- experience adjustment	(93)	-	(93)	(406)	-	(406)	(210)	-	(210)	(270)	-	(270)
- on plan assets		(2)	2		(5)	5		(1)	1		(1)	1
	<b>(167)</b>	<b>(2)</b>	<b>(165)</b>	<b>(404)</b>	<b>(5)</b>	<b>(399)</b>	<b>(224)</b>	<b>(1)</b>	<b>(223)</b>	<b>(269)</b>	<b>(1)</b>	<b>(268)</b>
<b>Other</b>												
Contributions paid by the employer	-	165	(165)	-	133	(133)	-	-	-	-	65	(65)
Benefits paid	(229)	(229)	-	(331)	(331)	-	-	-	-	(65)	(65)	-
Expected Return on Plan Assets	-	33	(33)	-	40	(40)	-	22	(22)	-	20	(20)
	<b>(229)</b>	<b>(31)</b>	<b>(198)</b>	<b>(331)</b>	<b>(158)</b>	<b>(173)</b>	<b>-</b>	<b>22</b>	<b>(22)</b>	<b>(65)</b>	<b>20</b>	<b>(85)</b>
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>2,283</b>	<b>487</b>	<b>1,796</b>	<b>2,080</b>	<b>520</b>	<b>1,560</b>	<b>444</b>	<b>341</b>	<b>103</b>	<b>434</b>	<b>320</b>	<b>114</b>



## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

### C. Plan assets

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Fund managed by insurer	100%	100%
	100%	100%

### D. Actuarial assumptions

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

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Discount rate	7.10%	6.79%
Expected rate of future salary increase	5.50%	5.50%
Mortality	100% of IALM (2012 - 14) Ult.	

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

### E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in Lakhs)

Particulars	Gratuity				Leave Encashment			
	31 <sup>st</sup> March, 2022		31 <sup>st</sup> March, 2021		31 <sup>st</sup> March, 2022		31 <sup>st</sup> March, 2021	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	2,056	2,517	1,873	2,330	395	489	395	485
Expected rate of future salary increase (1% movement)	2,516	2,054	2,328	1,871	489	395	485	394

Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

### F. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow -

- A) Salary Increases-** Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B) Investment Risk –** If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C) Discount Rate:** Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Mortality & disability –** Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals –** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

Notes to Standalone Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

G. Expected maturity analysis of the undiscounted gratuity benefits is as follows

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Duration of defined benefit payments</b>		
Less than 1 year	351	123
Between 1-2 years	79	262
Between 2-5 years	373	285
Over 5 years	785	724
<b>Total</b>	<b>1,588</b>	<b>1,394</b>

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 18.46 years (31<sup>st</sup> March, 2021 : 18.49 years)

**51. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT**

I. Fair value measurements Hierarchy

(₹ in Lakhs)

Particulars	31 <sup>st</sup> March, 2022				31 <sup>st</sup> March, 2021			
	Carrying Amount	Level 1	Level 2	Level 3	Carrying Amount	Level 1	Level 2	Level 3
<b>Financial Assets</b>								
<b>At Amortised Cost</b>								
Investments	849	-	-	-	9	-	-	-
Other Non-Current Financial Assets	2,616	-	-	-	989	-	-	-
Trade Receivables	37,643	-	-	-	29,396	-	-	-
Cash and Cash Equivalents	9	-	-	-	15	-	-	-
Bank Balances other than above	2,117	-	-	-	991	-	-	-
Other Current Financial Assets	6,090	-	-	-	5,519	-	-	-
	<b>49,324</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,919</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>								
<b>At Amortised Cost</b>								
Borrowings - Non Current	18,055	-	-	-	20,438	-	-	-
Lease Liabilities - Non Current	219	-	-	-	-	-	-	-
Lease Liabilities - Current	143	-	-	-	-	-	-	-
Borrowings - Currents	57,984	-	-	-	38,513	-	-	-
Trade Payables	13,370	-	-	-	11,572	-	-	-
Other Current Financial Liabilities	12,960	-	-	-	7,190	-	-	-
<b>At Fair Value through P&amp;L</b>								
Other Current Financial Liabilities	19	-	19	-	112	-	112	-
<b>At Fair Value through OCI</b>								
Other Current Financial Liabilities	13	-	13	-	39	-	39	-
	<b>1,02,763</b>	<b>-</b>	<b>32</b>	<b>-</b>	<b>77,864</b>	<b>-</b>	<b>151</b>	<b>-</b>

## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

### II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

#### i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of property defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

#### ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

#### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank references.

## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The gross carrying amount of trade receivables is ₹ 37926 Lakhs (31<sup>st</sup> March, 2021 – ₹ 29679 Lakhs).

A default on a financial asset is when counterparty fails to make payments within 60 days when it falls due.

### Reconciliation of Loss Allowance Provision – Trade Receivables

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Opening Balances	283	281
Impairment Loss Recognised	2,180	863
Amount written back	2,180	861
<b>Closing balance</b>	<b>283</b>	<b>283</b>

### iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the cash flows generated from operations to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position comprising the undrawn borrowing facilities and cash and cash equivalents on the basis of expected cash flows. This is generally carried out in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

### (a) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Particulars	Carrying Amounts		Contractual cash flows		
	31 <sup>st</sup> March, 2022	Total	Within 1 Year	1–5 years	More than 5 years
<b>Non-derivative financial liabilities</b>					
Borrowings - Non Current	18,055	18,055	-	15,465	2,590
Lease Liabilities - Non Current	219	219	-	219	-
Lease Liabilities - Current	143	143	143	-	-
Borrowings - Currents	57,984	57,984	57,984	-	-
Trade payables	13,370	13,370	13,370	-	-
Other current financial liabilities	12,992	12,992	12,992	-	-
<b>Total non-derivative liabilities</b>	<b>1,02,763</b>	<b>1,02,763</b>	<b>84,489</b>	<b>15,684</b>	<b>2,590</b>
<b>Derivatives (net settled)</b>					
Foreign exchange forward contracts	32	32	32	-	-
<b>Total derivative liabilities</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>-</b>	<b>-</b>

Notes to Standalone Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

Particulars	Carrying Amounts		Contractual cash flows		
	31 <sup>st</sup> March, 2021	Total	Within 1 Year	1–5 years	More than 5 years
<b>Non-derivative financial liabilities</b>					
Borrowings - Non Current	20,438	20,438	-	19,690	748
Borrowings - Current	38,513	38,513	38,513	-	-
Trade payables	11,572	11,572	11,572	-	-
Other current financial liabilities	7,341	7,341	7,341	-	-
<b>Total non-derivative liabilities</b>	<b>77,864</b>	<b>77,864</b>	<b>57,426</b>	<b>19,690</b>	<b>748</b>
<b>Derivatives (net settled)</b>					
Foreign exchange forward contracts	151	151	151	-	-
<b>Total derivative liabilities</b>	<b>151</b>	<b>151</b>	<b>151</b>	<b>-</b>	<b>-</b>

The inflows / (outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

**iv. Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company uses derivatives like forward contracts to manage market risks on account of foreign exchange. All such transactions are carried out within the guidelines set by the Risk Management Committee.

**Currency risk**

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EURO. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis. 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

Particulars	(₹ in Lakhs)			
	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	USD	EUR	USD	EUR
<b>Financial Instruments</b>				
Trade receivables	225	(3)	111	(2)
Trade payables	(2)	(2)	-	(4)
Borrowings	(266)	(30)	(88)	(7)
Derivatives - Forward Contracts	(250)	-	(270)	-
<b>Net statement of financial position exposure</b>	<b>(293)</b>	<b>(36)</b>	<b>(247)</b>	<b>(13)</b>

## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the ₹ against all currencies at 31<sup>st</sup> March, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit or loss	
	Strengthening	Weakening
<b>31<sup>st</sup> March, 2022</b>		
USD (1% movement)	(222)	222
EUR (1% movement)	(30)	30
<b>31<sup>st</sup> March, 2021</b>		
USD (1% movement)	(180)	180
EUR (1% movement)	(12)	12

### Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

### Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	Nominal Amount	
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Fixed-rate instruments</b>		
Financial assets	-	600
Financial liabilities	606	657
	<b>606</b>	<b>1,257</b>
<b>Variable-rate instruments</b>		
Financial assets	-	-
Financial liabilities	23,629	27,348
	<b>23,629</b>	<b>27,348</b>

### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss	
	100 bp increase	100 bp decrease
<b>31<sup>st</sup> March, 2022</b>		
Variable-rate instruments	(236)	236
<b>Cash flow sensitivity</b>	<b>(236)</b>	<b>236</b>
<b>31<sup>st</sup> March, 2021</b>		
Variable-rate instruments	(273)	273
<b>Cash flow sensitivity</b>	<b>(273)</b>	<b>273</b>

## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

### Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

### Hedge Accounting

The Company's business objective includes safe-guarding its earnings against foreign exchange fluctuations. The Company has adopted a structured risk management policy to hedge all these risks within an acceptable risk limit and an approved hedge accounting framework which allows for Fair Value hedges and Cash Flow hedges. Hedging instruments include forwards contracts to achieve this objective. The table below shows the position of hedging instruments and hedged items as on the balance sheet date.

### Disclosure of effect of Hedge Accounting:

#### (i) Fair Value Hedge

##### Hedging Instruments

(₹ in Lakhs)

Particulars	Nominal Value	Carrying Amount	Change in Fair Value	Hedge Maturity	Line Item in Balance Sheet
<b>Foreign Currency Risk</b>					
Forward Contracts	17,060	19	19	May, 2022 to November, 2022	Other Current Financial Liabilities

##### Hedged Items

(₹ in Lakhs)

Particulars	Carrying Amount	Change in Fair Value	Line Item in Balance Sheet
Foreign Currency Risk			
Trade Receivables	17,060	291	Financial Assets - Trade Receivables

#### (ii) Cash Flow Hedge

During the year ended 31<sup>st</sup> March, 2022, the Company has designated certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedge reserve as at 31<sup>st</sup> March, 2022 are expected to occur and reclassified to Statement of Profit and Loss within three months.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of its forecasted cash flows. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in the Statement of Profit and Loss at the time of the hedge relationship rebalancing.



Notes to Standalone Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

**Cash Flow Hedge**

**Hedging Instruments**

(₹ in Lakhs)

Particulars	Nominal Value	Carrying Amount	Change in Fair Value	Hedge Maturity	Line Item in Balance Sheet
<b>Foreign Currency Risk</b>					
Forward Contracts	1,895	13	13	May, 2022 to November, 2022	Other Current Financial Liabilities

**Hedged Items**

(₹ in Lakhs)

Particulars	Carrying Amount	Change in Fair Value	Line Item in Balance Sheet
<b>Foreign Currency Risk</b>			
Highly Probable Forecasted Exports	1,895	-	-

The reconciliation of cash flow hedge reserve for the years ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 is as follows :

Particulars	Year Ended 31 <sup>st</sup> March, 2022	Year Ended 31 <sup>st</sup> March, 2021
Balance at the beginning of the year	39	(323)
Gain / (Loss) recognised in other comprehensive income during the year	(25)	362
Amount reclassified to profit and loss during the year	-	-
<b>Balance at the end of the year</b>	<b>13</b>	<b>39</b>

**52. RATIO ANALYSIS**

S. No	Ratio		Basis	FY 22	FY 21	% Change	Reason For Variance
1	Current ratio	Times	Current assets / Current liabilities	1.20	1.33	-10%	
2	Debt-Equity ratio	Times	Total Debt / Equity	1.06	1.05	1%	
3	Debt service coverage ratio	Times	Earnings for debt service* / Debt Service	2.78	1.07	161%	Refer note i) below
4	Return on equity ratio	%	Profit after tax / Shareholders' Equity	22.09%	0.98%	2143%	Refer note ii) below
5	Inventory turnover ratio	Times	Cost of Goods Sold** / Average inventory	3.83	2.68	43%	Refer note iii) below
6	Trade receivables turnover ratio	Times	Revenue from operations / Average trade receivable	7.27	4.52	61%	Refer note iv) below
7	Trade payables turnover ratio	Times	Cost of Goods Sold** / Average trade payables	13.80	8.60	61%	Refer note v) below
8	Net capital turnover ratio	Times	Revenue from operations / Working capital\$	13.50	6.75	100%	Refer note vi) below
9	Net profit ratio	%	Net Profit/(Loss) after tax / Revenue from operations	5.78%	0.40%	1354%	Refer note vii) below
10	Return on capital employed	%	"Earnings Before Interest and tax# / Capital Employed@"	15.33%	4.39%	249%	Refer note viii) below
11	Return on investment	%	PAT/Total Assets	7.73%	0.38%	1936%	Refer note ix) below



## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

\*\* 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

- i) Debt Service Coverage Ratio (times):** Increase in the ratio by 161 % is mainly on account of increase in EBIDTA margin in current year FY 21-22, as compared to previous year.
- ii) Return on Equity (%):** Return on equity has been increased mainly because of Increase in profits during the current year as compared with last year.
- iii) Inventory Turnover ratio (times):** Inventory turnover ratio has improved by approximately 43 % is mainly due to normal production cycle and sales cycle in the current year which in the previous year was affected due to the COVID-19 pandemic.
- iv) Trade Receivables turnover ratio (times):** Improvement in debtors turnover ratio is mainly due to, increase in sales in current year as compared to previous year, where sales were affected due to Covid-19 restrictions. Further, average debtors collection period has improved in current year, as compared to previous year.
- v) Trade Payables Turnover (times):** Improvement in creditors turnover ratio is mainly due to increase in purchases (on account of increased demand and sales) & reduction in average payment period in current year as compared to previous year.
- vi) Net Capital Turnover (times):** Increase is on account of the significant increase in sales during the current year as compared to last year, where sales were affected on account of Covid-19 pandemic.
- vii) Net Profit Ratio (%):** Net profit ratio has been increased mainly because of increase in profitability of the Company as compared to last year.
- viii) Return on Capital employed (%):** Increase in Capital employed is mainly because of Increase in profit due to Increase in Turnover as compared with last year.
- ix) Return on Investment (%):** Increase in Return on capital employed is mainly because Increase in profit is higher as compared to Increase in total assets during the year.

### **53. (a) SCHEME OF AMALGAMATION**

The Board of Directors of the Company on its meeting held on 14<sup>th</sup> September, 2020 had approved the scheme of amalgamation between the Company and the Sangam Lifestyle Ventures Limited (SLVL) (amalgamating Company) (Wholly Owned Subsidiary Company).

During the year, the Jaipur bench of NCLT vide its order dated 11<sup>th</sup> March, 2022 has approved the Scheme of Amalgamation between Sangam India Limited (SIL) and Sangam Lifestyle Ventures Limited ('SLVL'), a wholly own subsidiary of SIL with effect from 1<sup>st</sup> April, 2020, being Appointed date.

Accordingly the Company has accounted the scheme of arrangement as per Pooling of Interest method in accordance with Appendix C of Ind AS 103 Business Combination. Pursuant to which all assets and Liabilities pertaining to the amalgamating Company as defined in the arrangement have been transferred to the amalgamated Company without any consideration and investment in the equity shares of SLVL has been cancelled.



## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

### Details of assets acquired and liabilities assumed in accordance with Ind AS 103 - Business Combinations;

(₹ in Lakhs)

Particulars		
<b>Investments in Subsidiary (A)</b>		5
<b>Less:- Net carrying amount of Assets acquired and Liabilities Assumed (B)</b>		
<b>Total Assets</b>		
Property, Plant & Equipment	15	
Intangible Assets	10	
Other Financial Assets	2	
Deferred Tax Assets (Net)	208	
Inventories	539	
Trade Receivables	524	
Cash and Cash equivalents	2	
Other Current Assets	75	
	<b>1,375</b>	
<b>Total Liabilities</b>		
Trade Payable -Others	(1,810)	
Other Financial Liabilities	(114)	
Other Current Liabilities	(25)	
Provisions	(18)	
	<b>(1,967)</b>	<b>(592)</b>
<b>Other Equity</b>	<b>(A)-(B)</b>	<b>(597)</b>

### 53. (b) SCHEME OF AMALGAMATION

The Net Loss after tax of erstwhile amalgamating Company for the period 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021 amounting to ₹ 71 Lakhs comprised of:-

(₹ in Lakhs)

INCOME :	2020-21
Sale of Services	1,046
Other Income	-
<b>Total Revenue</b>	<b>1,046</b>
<b>EXPENDITURE :</b>	
Cost of Materials Consumed	646
Employee Benefits Expenses	145
Finance Costs	17
Depreciation and Amortisation Expense	6
Other Expenses	332
<b>Total Expenses</b>	<b>1,146</b>
<b>Losses before tax</b>	<b>(100)</b>
<b>Tax Expenses</b>	
Current Tax	-
Deferred Tax	(28)
<b>Total Tax Expenses</b>	<b>(28)</b>
<b>Profit/ (Loss) for the year</b>	<b>(72)</b>

**Notes to Standalone Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)**

(₹ in Lakhs)

<b>INCOME :</b>	<b>2020-21</b>
<b>Other Comprehensive Income</b>	
<b>Items that will not be reclassified to profit or loss</b>	
Remeasurement of defined benefit plans	<b>2</b>
Tax relating to remeasurement of defined benefit plans	<b>(1)</b>
<b>Total Other Comprehensive Income/ (Loss) for the period</b>	<b>1</b>
<b>Net Losses after tax of erstwhile amalgamating companies</b>	<b>(71)</b>

**54. DISCLOSURE UNDER IND AS 116 "LEASES"**

The Company has lease contract for building used in its operations. Lease of Building have lease terms 3 years .

**Amount recognised in Statement of profit or loss**

(₹ in Lakhs)

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2022</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>
Depreciation of right-of-use assets	100	-
Interest Income on Security Deposit	51	-
Interest Expenses on lease liabilities	19	-

**Maturity Pattern of lease liability**

Finance Lease discounted

(₹ in Lakhs)

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2022</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>
Less than 1 years	143	-
1-3 years	219	-
<b>Total</b>	<b>362</b>	

**Movement of Lease Liability**

(₹ in Lakhs)

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2022</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>
<b>As at 1<sup>st</sup> April, 2021</b>	-	-
Additions	449	-
Accretion of Interest	19	-
Payment	106	-
<b>As at 31<sup>st</sup> March, 2022</b>	<b>362</b>	-
Current Lease Liability	143	-
Non Current Lease Liability	219	-

**Movement of Security Deposit**

(₹ in Lakhs)

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2022</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>
<b>As at 1<sup>st</sup> April, 2021</b>	-	-
Additions	1,700	-
Accretion of Interest	51	-
Payment	-	-
<b>As at 31<sup>st</sup> March, 2022</b>	<b>1,751</b>	-
Deferred Rent	186	-



## Notes to Standalone Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

### **55. ADDITIONAL REGULATORY REQUIREMENTS AS REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013**

- i) Title deeds of all immovable properties are held on the name of the Company.
- ii) The Company has not revalued any Property, Plant and Equipments and Intangible Assets during the year.
- iii) 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.
- iv) There is no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- v) The Company is not declared a wilful defaulter by any bank or financial Institution or other lender.
- vi) 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 31<sup>st</sup> March, 2022 with any struck off companies
- vii) There are no charges or satisfactions of charges which are yet to be registered with Registrar of Companies beyond the statutory period.
- viii) 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.
- ix) The Company has complied with the Scheme of Arrangements approved by the competent authority in terms of section 230 to 237 of the Companies Act, 2013 during the year and accordingly has disclosed the effect of such arrangement in accordance with the Scheme and in accordance with the accounting standards as applicable.
- X) 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 Company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- xi) 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.
- xii) 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
- xiii) Working Capital loan were applied for the purpose for which the loans were obtained
- xiv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year
- xv) The Company has taken working capital loans from various Banks .Company has filed quarterly statements of Current Assets with the banks that are in principle in agreement with the books of accounts.

### **56. CORPORATE SOCIAL RESPONSIBILITY**

- a) Total expenditure incurred on Corporate Social Responsibility (CSR) activities during the year ended 31<sup>st</sup> March, 2022 is ₹ 89.49 Lakhs (during the year ended 31<sup>st</sup> March, 2021 is ₹ 96.66 Lakhs). This includes ₹ Nil Lakhs towards provision for upspent amount pertaining to ongoing projects (during the 31<sup>st</sup> March, 2021 is ₹ Nil Lakhs).

**Notes to Standalone Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)**

(₹ in Lakhs)

Particulars	For the year ended	
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
a) Amount required to be spent by the Company during the year	33	40
b) Amount of expenditure incurred on purpose other than construction/acquisition of any asset	89	97
c) Exces spend of prior year set off during the year	-	-
d) Shortfall at the end of the year [(d)=(a)-(b)-(c)]	-	-
e) Total of previous year shortfall	-	-
f) Reason for shortfall	NA	NA

The CSR amount of ₹ 56.32 Lakhs carry forward in next year.

**Expenditure related to Corporate Social Responsibility ;**

(₹ in Lakhs)

Particulars	As at	As at
	31 <sup>st</sup> March,2022	31 <sup>st</sup> March,2021
Environmental Sustainability	10	7
Promoting Education	22	1
Promoting Health Care	37	45
Rural Development	5	
Promoting gender equality, empowering women	3	
Promoting Sports	1	
Protection of National Heritage		21
Eradition Hunger, Poverty and Malnutrition	11	23
<b>Total</b>	<b>89</b>	<b>97</b>

b) Out of above ₹ 28.50 Lakhs (Previous Year ₹ 7 Lakhs) has been spent through M/s Badri Lal Soni Charitable Trust and ₹ 10.54 Lakhs (Previous year ₹ 56 Lakhs) spent through M/s Kesar Bai Soni Charitable Trust, which are related parties.

**57. CAPITAL MANAGEMENT**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

**58. APPROVAL OF FINANCIAL STATEMENTS**

The Financial Statements were approved for issue by the Board of Directors on 30<sup>th</sup> May, 2022

The Board of Directors have recommended a dividend @20 % on equity share, subject to approval from the shareholders at the ensuing AGM.

**59. PREVIOUS YEAR'S FIGURES**

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

**As per our Report of even date**

**For Rajendra & Co.**  
Chartered Accountants  
(Firm Registration No 108355W)

**(Akshay R. Shah)**  
Partner  
Membership No.103316

Place: Mumbai  
Date: 30th May, 2022

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

**(O. P. Dad)**  
Partner  
Membership No. 035373

Place: Bhilwara  
Date: 30th May, 2022

**For and on the Behalf of the Board**

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

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

**(Anurag Soni)**  
Director & CFO  
(DIN 03407094)

**(V. K. Sodani)**  
Executive Director  
(DIN 00403740)

**(A. K. Jain)**  
Company Secretary  
(M No: F-7842)"



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# INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Sangam (India) Limited

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying Consolidated Financial Statements of Sangam (India) Limited ("hereinafter referred to as "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2022, Consolidated Statement of Profit and Loss (Including Other Comprehensive Income), Consolidated Statement of changes in equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of one of Joint auditors on separate financial statements, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group and as at 31st March, 2022, and its Consolidated Profit including Other Comprehensive Income, Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of Consolidated financial statement in accordance with the Standards on Auditing specified

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

### Key Audit Matter

Key audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statement for the financial year ended 31st March, 2022. These matters were addressed in the context of our audit of the consolidated financial statement as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

The key audit matters	How our audit addressed the key audit matter
<b>Adoption of Ind AS 115 – Revenue from Contracts with Customers</b>	
<p>The Holding Company has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115'). The application to this accounting standard is complex and is an area of focus in the audit.</p> <p>The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognised This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>	<p>Our audit procedures carried on adoption of Ind AS 115, Revenue from contracts with Customers ('Ind AS 115'), was as under:–</p> <ul style="list-style-type: none"> <li>● Evaluated the design and implementation of the processes and internal controls relating to accounting standard;</li> <li>● Evaluated the detailed analysis performed by management on revenue streams by selecting samples for the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams;</li> <li>● Evaluated the changes, if any, made to IT systems to reflect the changes required in revenue recognition as per the new accounting standard;</li> <li>● Evaluated the appropriateness of the disclosures provided under the accounting standard and assessed the completeness and mathematical accuracy of the relevant disclosures.</li> </ul>

## Independent Auditor's Report (Contd.)

### Other Matter

The Consolidated Financial Statements includes subsidiary Company which reflects total assets of ₹ 1349.64 Lakhs as at 31st March, 2022, total revenues of ₹ Nil, total net loss after tax of ₹ (27.75) Lakhs and net cash Inflow of ₹ 103.89 Lakhs for year then ended, which have been audited by one of the joint auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the one of the joint auditors.

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

The Holding Company's Management and Board of Directors are responsible for the preparation of other information. The other information obtained on the date of Auditor's Report is Director Report, Corporate Governance report and Management Discussion and analysis report but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements.

The Holding Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including Other Comprehensive Income, Consolidated changes in equity and Consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements

that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective management and Board of Directors of the Company included in the Group are responsible for assessing the ability of each of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of each of the Company included in the Group are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013 as amended, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on these assumptions. If we conclude that a material uncertainty exists, we are

## Independent Auditor's Report (Contd.)

required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity business activities within the Group of which we are the independent auditors, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by joint auditor, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the one of the joint auditor on separate financial statements and the other financial information of subsidiary as noted in the 'other matter' paragraph we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated the Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
  - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company and its subsidiary Company, none of the directors are disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and Subsidiary Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the one of the joint auditor on separate financial statements and the other financial information of subsidiary as noted in the 'other matter' paragraph:
    - i. The Consolidated Financial statements disclose the impact of pending litigations on its Consolidated Financial Position of the Group - Refer Note No. 49 to the consolidated financial statements.
    - ii. Provision has been made in the Consolidated Financial Statement, as required under the



## Independent Auditor's Report (Contd.)

- applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiary during the year ended 31st March, 2022.
- a. (a) The respective Management of the Holding Company and its subsidiary Company incorporated in India whose financial statements have been audited under the Act has represented to us and One of the Joint Auditors of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The respective Management of the Holding Company and its subsidiary Company, incorporated in India whose financial statements have been audited under the Act has represented to us that, and One of the Joint Auditors of such Subsidiary Company respectively that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or its subsidiary Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary 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 any guarantee, security or the like on behalf of the Ultimate Beneficiaries and
- (c) Based on the audit procedures performed by us and that performed by One of the Joint Auditors of such Subsidiary Company, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that cause us to believe that the representation given by the Management under paragraph (3) (g) (iv) (a) and (b) above contain any material misstatement.
- iv. As stated in note no 59 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March, 2022, which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
2. With respect to the matter to be included in the Auditors' Report under section 197(16):
- In our opinion and according to the information and explanations given to us, and based on our audit and on the consideration of the reports of one of the Joint Auditors on separate Financial Statements of the Subsidiary Company, we report that the Holding Company has paid remuneration to its directors during the year in accordance with the provisions of the limits laid down under Section 197 read with Schedule V of the Act. Further, we report that the Subsidiary Company incorporated in India, whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary Company.
3. With respect to the matters specified in paragraphs 3(xxi) of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report and according to the information and explanations given to us, and based on the CARO report issued by One of Joint Auditor of the Subsidiary Company, included in the consolidated financial statements to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks given in the CARO report of the Subsidiary Company.

**For Rajendra & Co.**

*Chartered Accountants*

Firm Registration No 108355W

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

*Chartered Accountants*

Firm Registration No 002330C

**Akshay R. Shah**

*Partner*

Membership No.103316

Place : Mumbai

UDIN: 22047166AJWHVY4418

Date: 30th May, 2022

**O. P. Dad**

*Partner*

Membership No. 035373

Place : Bhilwara

UDIN: 22035373AMOEI9075

Date: 30th May, 2022



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## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SANGAM (INDIA) LIMITED**

**(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)**

**Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").**

We have audited the internal financial controls with reference to consolidated financial statements of Sangam (India) Limited ("herein after referred to as "Holding Company") and its subsidiary Company as of 31st March, 2022 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

In our opinion, the Holding Company and its Subsidiary has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31st March 2022, based on the internal financial controls with reference to Consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### **Management Responsibility for the Internal Financial Controls**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated

financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by one of the joint auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and Subsidiary Company internal financial controls system with reference to consolidated financial statements.

### **Meaning of Internal Financial Controls with reference to financial statements**

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the

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

Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

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

### **Other Matters**

Our report under Section 143(3)(i) of the Act on adequacy and operating effectiveness of the internal controls of Holding Company, in so far as it relates to separate financial statements of Subsidiary Company, which is Company incorporated in India, is based on the corresponding report of One of the Joint Auditors of such Subsidiary Company incorporated in India.

#### **For Rajendra & Co.**

*Chartered Accountants*  
Firm Registration No 108355W

#### **For O. P. Dad & Co.**

*Chartered Accountants*  
Firm Registration No 002330C

#### **Akshay R. Shah**

*Partner*  
Membership No.103316  
Place : Mumbai  
UDIN: 22047166AJWHVY4418  
Date: 30th May, 2022

#### **O. P. Dad**

*Partner*  
Membership No. 035373  
Place : Bhilwara  
UDIN : 22035373AMOEI9075  
Date: 30th May, 2022



Value through values

# Consolidated Balance Sheet

As at 31<sup>st</sup> March, 2022

(₹ in Lakhs)

Particulars	Notes	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	4	59,475	58,570
Right of Use Assets	5	349	-
Capital Work-in-Progress	6	7,393	881
Intangible Assets	7	354	461
Intangible Assets under Development	8	14	-
<b>Financial Assets</b>			
(i) Investments	9	79	4
(ii) Other Financial Assets	10	2,616	989
Other Non Current Assets	11	5,402	591
<b>TOTAL NON-CURRENT ASSETS</b>		<b>75,682</b>	<b>61,496</b>
<b>Current Assets</b>			
Inventories	12	52,797	37,635
<b>Financial Assets</b>			
(i) Trade Receivables	13	37,643	28,001
(ii) Cash and Cash equivalents	14	113	19
(iii) Bank balances other than (ii) above	15	2,117	991
(iv) Other Current Financial Assets	16	6,091	5,521
Current Tax Assets (Net)	17	-	565
Other Current Assets	18	7,180	6,635
Assets Classified as Held for Sale	19	776	-
<b>TOTAL CURRENT ASSETS</b>		<b>1,06,717</b>	<b>79,367</b>
<b>TOTAL ASSETS</b>		<b>1,82,399</b>	<b>1,40,863</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	20	4,342	4,342
Other Equity	21	64,686	50,892
Share Warrants	22	2,565	-
<b>TOTAL EQUITY</b>		<b>71,593</b>	<b>55,234</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	23	18,055	20,437
(ii) Lease Liabilities	24	219	-
Deferred Tax Liabilities (Net)	25	3,786	4,895
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>22,060</b>	<b>25,332</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	26	57,984	38,513
(ii) Lease Liabilities	27	143	-
(iii) Trade Payables	28		
a) Total outstanding dues of Micro enterprises and Small enterprises		1,128	630
b) Total outstanding dues of Creditors other than Micro enterprises and Small enterprises		12,245	10,977
(iv) Other Financial Liabilities	29	13,190	7,446
Other Current Liabilities	30	1,773	1,035
Current Tax Liabilities (Net)	31	384	-
Provisions	32	1,899	1,696
<b>TOTAL CURRENT LIABILITIES</b>		<b>88,746</b>	<b>60,297</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,82,399</b>	<b>1,40,863</b>

Significant Accounting Policies and Notes to Financial Statements

1 to 61

As per our Report of even date

For and on the Behalf of the Board

**For Rajendra & Co.**

Chartered Accountants  
(Firm Registration No 108355W)

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

Chartered Accountants  
(Firm Registration No 002330C)

**(Akshay R. Shah)**

Partner  
Membership No.103316

Place: Mumbai  
Date: 30<sup>th</sup> May, 2022

**(O. P. Dad)**

Partner  
Membership No. 035373

Place: Bhilwara  
Date: 30<sup>th</sup> May, 2022

**(R.P. Soni)**

Chairman  
(DIN 00401439)

**(Dr. S. N. Modani)**

Managing Director & CEO  
(DIN 00401498)

**(Anurag Soni)**  
Director & CFO  
(DIN 03407094)

**(V. K. Sodani)**

Executive Director  
(DIN 00403740)

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

# Consolidated Statement of Profit and Loss

For the year ended 31<sup>st</sup> March, 2022

(₹ in Lakhs)

Particulars	Notes	2021-22	2020-21
<b>INCOME</b>			
Revenue from Operations	33	2,43,776	1,35,897
Other Income	34	714	981
<b>Total Income</b>		<b>2,44,490</b>	<b>1,36,878</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	35	1,33,483	70,693
Purchases of Traded Goods	36	4,476	1,040
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	37	(3,567)	2,781
Employee Benefits Expenses	38	20,095	14,961
Finance Costs	39	4,780	4,939
Depreciation and Amortisation Expense	40	7,034	8,058
Power & Fuel	41	24,539	15,747
Other Expenses	42	34,012	18,461
<b>Total Expenses</b>		<b>2,24,852</b>	<b>1,36,680</b>
Profit Before Exceptional Items and Tax		19,638	198
Exceptional Items	43	1,229	-
<b>Profit Before Tax</b>		<b>18,409</b>	<b>198</b>
<b>Tax Expenses</b>			
Current Tax		5,304	724
Deferred Tax		(1,389)	(300)
Tax Expense for earlier Years		429	(647)
<b>Total Tax Expenses</b>		<b>4,344</b>	<b>(223)</b>
<b>Profit after Tax</b>		<b>14,065</b>	<b>421</b>
<b>Other comprehensive income</b>	44		
Less:- Total Comprehensive Income/ (Loss) of erstwhile amalgamating Company for previous year ended 31st March, 2022		(71)	-
<b>Profit for the year</b>		<b>13,994</b>	<b>421</b>
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of defined benefit plans		164	400
Tax relating to remeasurement of defined benefit plans		(41)	(139)
		<b>123</b>	<b>261</b>
<b>Items that will be reclassified to profit or loss</b>			
Fair value changes on derivatives designated as cash flow hedges		(25)	361
Tax on items that will be reclassified subsequently to Profit & Loss		6	(127)
		<b>(19)</b>	<b>234</b>
<b>Total Other Comprehensive Income for the year</b>		<b>104</b>	<b>495</b>
<b>Total Comprehensive Income for the year</b>		<b>14,098</b>	<b>916</b>
<b>Earnings per equity share of face value of ₹ 10 each</b>	45		
Basic EPS before exceptional items		35.06	1.04
Basic EPS after exceptional items		32.23	1.04
Diluted EPS before exceptional items		34.87	1.04
Diluted EPS after exceptional items		32.06	1.04

Significant Accounting Policies and Notes to Financial Statements

1 to 61

As per our Report of even date

For and on the Behalf of the Board

**For Rajendra & Co.**  
Chartered Accountants  
(Firm Registration No 108355W)

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

**(Akshay R. Shah)**  
Partner  
Membership No.103316

**(O. P. Dad)**  
Partner  
Membership No. 035373

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

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

**(V. K. Sodani)**  
Executive Director  
(DIN 00403740)

Place: Mumbai  
Date: 30<sup>th</sup> May, 2022

Place: Bhilwara  
Date: 30<sup>th</sup> May, 2022

**(Anurag Soni)**  
Director & CFO  
(DIN 03407094)

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



Value through values

# Consolidated Cash Flow Statement

For the year ended 31<sup>st</sup> March, 2022

(₹ in Lakhs)

Particulars	2021-22	2020-21
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Tax</b>	<b>18,408</b>	<b>198</b>
Adjustments for :-		
Depreciation and Amortisation Expense	7,034	8,058
Finance Costs	4,780	4,939
Bad Debts / Allowance for Doubtful Debts	2,180	863
Advances Written Off	128	252
Interest Income	(418)	(442)
Foreign Exchange Fluctuation Gain/ (Loss) (Net)	(318)	(313)
Profit on Sale of Property, Plant & Equipments (Net)	(120)	(140)
Empoloyees Retirement Benefits	403	-
<b>Operating Profit before working capital changes</b>	<b>32,077</b>	<b>13,415</b>
Movements in Working Capital :-		
(Increase) / Decrease in Inventories	(15,644)	(357)
(Increase) / Decrease in Trade Receivables	(10,133)	584
(Increase) / Decrease in Other Financial Assets	(563)	(503)
(Increase) / Decrease in Other Assets	(3,138)	(775)
Increase / (Decrease) in Trade Payables	4978	161
Increase / (Decrease) in Other Financial Liabilities	4,961	507
Increase / (Decrease) in Provisions	363	706
Increase / (Decrease) in Other Liabilities	745	(302)
<b>Cash Generated from Operations</b>	<b>13,646</b>	<b>13,436</b>
Taxes Paid / (Refund) (Net)	4,540	181
<b>Net Cash Inflow / (Out Flow) from Operating Activities</b>	<b>9,106</b>	<b>13,255</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of Property, plant and equipment #	(20,399)	(6,104)
Sale of Property, Plant & Equipments	865	854
Interest Income	409	376
Sale of Investment / (Purchase)	(70)	581
<b>Net Cash Inflow / (Outflow) from Investing Activities</b>	<b>(19,195)</b>	<b>(4,293)</b>
<b>C Cash Flow from Financing Activities</b>		
Proceeds from issue of Equity Share Capital	-	2,000
Proceeds from issue of Share Warrants	2,565	-
Proceeds from Long Term Borrowings	4,079	4,588
Repayment of Long Term Borrowings	(6,463)	(5,461)
Increase / (Decrease) in Short- Term Borrowings	16,357	(4,953)
Finance Costs	(4,796)	(5,095)
Dividend Paid (Including Tax on Dividend)	(433)	(396)
<b>Net Cash Inflow / (Out Flow) from Financing Activities</b>	<b>11,309</b>	<b>(9,317)</b>
Net Increase/(Decrease) in Cash & Cash equivalents	1220	(355)
Cash and Cash Equivalents at the Beginning	1,010	1,365
Cash and Cash Equivalents at the End	2,230	1,010

#Purchase of Property, plant and equipment includes Intangible assets, movement in capital work in process, capital advances and creditors for capital expenditures.

Consolidated Cash Flow Statement  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

**Change in Liability arising from financing activities**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2021	Cash Flow	Adjustment on account of regrouping	As at 31 <sup>st</sup> March, 2022
Borrowing - Non Current (Refer Note No. 23)	20,437	(2,382)	-	18,055
Borrowing - Current (Refer Note No. 26)	38,513	16,357	3,114	57,984
<b>Total</b>	<b>58,950</b>	<b>13,975</b>	<b>3,114</b>	<b>76,039</b>

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	Cash Flow	Adjustment on account of regrouping	As at 31 <sup>st</sup> March, 2021
Borrowing - Non Current (Refer Note No. 23)	28,878	(874)	(7,567)	20,437
Borrowing - Current (Refer Note No. 26)	35,899	(4,953)	7,567	38,513
<b>Total</b>	<b>64,777</b>	<b>(5,827)</b>	<b>-</b>	<b>58,950</b>

**As per our Report of even date**

**For Rajendra & Co.**  
Chartered Accountants  
(Firm Registration No 108355W)

**(Akshay R. Shah)**  
Partner  
Membership No.103316  
Place: Mumbai  
Date: 30<sup>th</sup> May, 2022

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

**(O. P. Dad)**  
Partner  
Membership No. 035373  
Place: Bhilwara  
Date: 30<sup>th</sup> May, 2022

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

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

**(Anurag Soni)**  
Director & CFO  
(DIN 03407094)

**(V. K. Sodani)**  
Executive Director  
(DIN 00403740)

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

**For and on the Behalf of the Board**



Value through values

## Consolidated Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2022

### (a) Equity share capital

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	4,34,21,559	4,342	3,94,21,559	3,942
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	<b>4,34,21,559</b>	<b>4,342</b>	<b>3,94,21,559</b>	<b>3,942</b>
Changes in equity share capital during the year	-	-	40,00,000	400
Balance at the end of the reporting year	<b>4,34,21,559</b>	<b>4,342</b>	<b>4,34,21,559</b>	<b>4,342</b>

### (b) Other equity

(₹ in Lakhs)

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	General Reserve	Retained Earnings	Capital Reserve	Preference Share Capital Redemption Reserve	Securities Premium	Effective Portion of Cash Flow Hedges	
<b>Balance at 1<sup>st</sup> April, 2020</b>	<b>22,818</b>	<b>18,820</b>	<b>297</b>	<b>1,178</b>	<b>5,868</b>	<b>(210)</b>	<b>48,770</b>
Profit for the year	-	421	-	-	-	-	421
Other comprehensive income/ (loss) for the year	-	261	-	-	-	234	495
<b>Total comprehensive income for the year</b>	-	<b>682</b>	-	-	-	<b>234</b>	<b>916</b>
Issue of Equity Shares	-	-	-	-	1,600	-	1,600
Dividend paid	-	(394)	-	-	-	-	(394)
<b>Balance at 31<sup>st</sup> March, 2021</b>	<b>22,818</b>	<b>19,108</b>	<b>297</b>	<b>1,178</b>	<b>7,468</b>	<b>24</b>	<b>50,892</b>
<b>Balance at 1<sup>st</sup> April, 2021</b>	<b>22,818</b>	<b>19,108</b>	<b>297</b>	<b>1,178</b>	<b>7,468</b>	<b>24</b>	<b>50,892</b>
Profit for the year	-	14,065	-	-	-	-	14,065
Other comprehensive income/ (loss) for the year	-	123	-	-	-	(19)	104
<b>Total comprehensive income for the year</b>	-	<b>14,188</b>	-	-	-	<b>(19)</b>	<b>14,169</b>
Dividends paid	-	(435)	-	-	-	-	(435)
On account of merger of subsidiary Company (Refer Note No. 54 (a))	-	59	-	-	-	-	59
<b>Balance at 31<sup>st</sup> March, 2022</b>	<b>22,818</b>	<b>32,920</b>	<b>297</b>	<b>1,178</b>	<b>7,468</b>	<b>5</b>	<b>64,686</b>

The accompanying notes are an integral part of these financial statements

As per our Report of even date

For and on the Behalf of the Board

**For Rajendra & Co.**

Chartered Accountants  
(Firm Registration No 108355W)

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

Chartered Accountants  
(Firm Registration No 002330C)

**(Akshay R. Shah)**

Partner  
Membership No.103316

Place: Mumbai  
Date: 30<sup>th</sup> May, 2022

**(O. P. Dad)**

Partner  
Membership No. 035373

Place: Bhilwara  
Date: 30<sup>th</sup> May, 2022

**(R.P. Soni)**

Chairman  
(DIN 00401439)

**(Dr. S. N. Modani)**

Managing Director & CEO  
(DIN 00401498)

**(Anurag Soni)**

Director & CFO  
(DIN 03407094)

**(V. K. Sodani)**

Executive Director  
(DIN 00403740)

**(A. K. Jain)**

Company Secretary  
(M No: F-7842)



# Notes to the Consolidated Financial Statements

For the year ended 31<sup>st</sup> March, 2022

## 1. GENERAL INFORMATION:

Sangam (India) Limited ("the Holding Company"), is a public limited Company domiciled in India and was incorporated on 29th December, 1984 under the provisions of the Companies Act, 1956 (now replaced by Companies Act 2013) as applicable in India. Its shares are listed on National Stock Exchange of India (NSE) and Bombay Stock Exchange (BSE) of India.

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

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

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

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

The holding Company has a wholly owned subsidiary Company (hereinafter collectively called "the group" or "the Company") and accordingly these consolidated financial statements have been prepared by the group consisting of accounts of the parent and its wholly owned subsidiary.

## 2. BASIS OF ACCOUNTING

2.1 The notes including significant policies to the Consolidated Financial Statements are intended to serve as a guide for better understanding of the Group's position. In this respect, the Company has disclosed such notes and policies which represent the required disclosure.

2.2 The list of subsidiaries included in the Consolidated Financial Statements are as under:

Sl. No.	Name of subsidiary Company	Country of incorporation	Proportion of ownership interest and voting power (%)
1.	Sangam Ventures Limited	India	100%

The subsidiary Company was incorporated on 3rd December, 2021 and became the wholly owned subsidiary of the parent Company from the date of incorporation.

2.3 Other Equity shown in the Consolidated Balance Sheet and profit in the Consolidated Statement of Profit & Loss, Other Comprehensive income, Total Comprehensive income is after setting off the Group's share in the loss of the wholly owned subsidiary.

## 2(A) Principles of consolidation

- (i) The consolidated financial statements incorporate the financial statements of the Parent Company and its wholly owned subsidiary. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as a subsidiary. The Parent Company together with its subsidiary constitutes the Group. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.
- (ii) Consolidation of a subsidiary begins when the Parent Company, directly or indirectly, obtains control over the subsidiary and ceases when the Parent Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated Statement of Profit and Loss from the date the Parent Company, directly or indirectly, gains control until the date when the Parent Company, directly or indirectly, ceases to control the subsidiary.
- (iii) The consolidated financial statements of the Group combines financial statements of the Parent Company and its subsidiary line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealised profits/ losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiary have been harmonised to ensure the consistency with the policies adopted by the Parent Company. The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.  
  
Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company.
- (iv) The gains/losses in respect of part divestment/ dilution of stake in subsidiary companies not

## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

resulting in ceding of control are recognised directly in other equity attributable to the owners of the Parent Company.

### 3. BASIS OF PREPARATION:

#### A. Statement of compliance

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

These financial statements were approved for issue in accordance with the resolution of the Board of Directors as per its meeting held on 30th May, 2022.

#### B. Functional and presentation currency

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

#### C. Basis of measurement

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

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

#### D. Use of estimates and judgements

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

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

#### Judgments

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

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

#### Assumptions and estimation uncertainties

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

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

#### E. Measurement of fair values

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

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

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained

## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

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 categorised in a fair value hierarchy based on the inputs used in the valuation techniques as under:

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

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

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

### 3.1 SIGNIFICANT ACCOUNTING POLICIES:

#### A. Current and non-current classification

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

##### Assets:

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

- a) It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;

- c) It is expected to be realised within twelve months after the reporting date; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

##### Liabilities:

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

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

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

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

##### Assets held for sale:

Current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

### B. Property, plant and equipment (PPE)

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

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

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

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

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

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 derecognised 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 recognised in the statement of profit and loss.

### C. Depreciation and amortisation:

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

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

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

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

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

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

## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

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

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

### D. Intangible assets

Intangible assets that are acquired by the Company, that have finite useful lives, are stated at acquisition cost, net of accumulated amortisation 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 derecognised 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 recognised in the statement of profit and loss.

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

#### Amortisation

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

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

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

### E. Research and development expenditure on new products:

- (i) Expenditure on research is expensed under respective heads of account in the period in which it is incurred.
- (ii) Development expenditure on new products is capitalised as intangible asset, if all of the following can be demonstrated:
  - A. The technical feasibility of completing the intangible asset so that it will be available for use or sale;
  - B. The Company has intention to complete the intangible asset and use or sell it;
  - C. The Company has ability to use or sell the intangible asset;
  - D. The manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets;
  - E. The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
  - F. The Company has ability to reliably measure the expenditure attributable to the intangible asset during its development.

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

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

### F. Impairment of assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, investment property, intangible assets and investments in subsidiary Company to determine whether there is any indication that those assets have suffered an impairment loss. If such indication

## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

exists, the said assets are tested for impairment loss as to determine the impairment loss, if any. The intangible assets with indefinite life are tested for impairment each year.

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

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

The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Company suitably adjusted for risks specified to the estimated cash flows of the asset.

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

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

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

### G. Financial Instruments

#### i. Financial assets

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

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

Financial assets are subsequently classified as measured at:

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

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

#### Derecognition

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

#### Impairment of financial assets

The Company recognises loss allowances for expected credit losses on:

- Financial assets measured at amortised cost;

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

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

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

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

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

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

### **Measurement of expected credit losses**

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

### **Presentation of allowance for expected credit losses in the balance sheet**

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

### **Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of

recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

## **ii. Financial liabilities**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

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

### **Derecognition**

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

## **iii. Offsetting financial instruments**

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

## **iv. Derivative financial instruments and hedging activities**

A derivative is a financial instrument which changes value in response to changes in an underlying asset and is settled at a future date. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-

## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:

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

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

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

- (a) Fair value hedges

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

- (b) Cash flow hedges

The effective portion of changes in the fair value of derivatives that

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

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

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

### H. Borrowing costs

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

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

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

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount



## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

### I. Income tax

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

#### Current tax

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

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

#### Deferred tax

Deferred tax is recognised 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 recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised 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 recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. 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 recognises 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 realised. Deferred tax assets- unrecognised or recognised, are reviewed at each reporting date and are recognised /reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

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

### J. Inventories

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

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

Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out (FIFO) basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated

## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

costs of completion and the estimated costs necessary to make the sale.

### K. Cash and cash equivalents

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

### L. Foreign currency translation

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

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

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

### M. Employee benefits

#### i. Defined benefit obligations

##### (a) Post-employment benefits (Gratuity):

The liability recognised in balance sheet in respect of gratuity (unfunded) is the present value of defined benefit obligation at the end of reporting period less fair value of plan assets. The defined benefit obligation is calculated

annually by actuaries using projected unit credit method.

Remeasurement actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement if changes in equity and in the balance sheet.

#### (b) Other employee benefits:

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

#### ii. Defined contribution plan:

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

#### iii. Short-term benefits:

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

### N. Provision and contingent liabilities

The Company sets up a provision when there is a present legal or constructive obligation as a result

## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

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

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

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

### **O. Contingent Assets**

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

### **P. Revenue recognition**

#### **(i) Revenue from operations**

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

#### **A. Sale of goods**

Generally, control is transferred upon shipment of goods to the customer or

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

#### **B. Rendering of services**

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

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

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

#### **C. Other operational revenue**

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

#### **(ii) Other income**

- A.** Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate.
- B.** Dividend income is accounted in the period in which the right to receive the same is established.
- C.** Other items of income are accounted as and when the right to receive such

## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably

### Q. Exceptional items

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

### R. Government grants

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

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

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

### S. Segment reporting

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

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

### T. Leases

#### As lessee

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

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

#### Initial measurement

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

#### Subsequent measurement

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

## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

### Short term Lease or Low Value Lease

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

### Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standard prospectively to its leases.

### U. Earnings per share

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

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

### V. Standards issued but not effective

On 23rd March, 2022, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to Company from 1st April, 2022.

- I. Ind AS 101 – First time adoption of Ind AS
- II. Ind AS 103 – Business Combination
- III. Ind AS 109 – Financial Instrument
- IV. Ind AS 16 – Property, Plant and Equipment
- V. Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets
- VI. Ind AS 41 – Agriculture

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



Notes to Consolidated Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

**4. PROPERTY, PLANT AND EQUIPMENT**

(₹ in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 <sup>st</sup> March, 2021	Additions	Deletions	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021	Additions	Deletions	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Tangible Assets</b>										
Freehold land	2,735	404	2	3,137	-	-	-	-	3,137	2,735
Building	20,910	3,083	947	23,046	3,614	761	393	3,982	19,064	17,296
Plant and Machinery	62,703	6,813	8,464	61,052	30,338	5,010	6,084	29,264	31,788	32,365
Wind Power Machines	874	-	-	874	570	114	-	684	190	304
Electric installation	5,925	66	25	5,966	2,608	528	24	3,112	2,854	3,317
Water supply installation	578	6	-	584	103	22	-	125	459	475
Furniture and fixtures	1,429	35	9	1,455	667	135	7	795	660	762
Vehicles	1,839	165	134	1,870	699	193	97	795	1,075	1,140
Office equipments	71	37	-	108	53	8	-	61	47	18
Computers	416	97	-	513	303	53	-	356	157	113
<b>Leased Assets</b>										
Leasehold land	50	-	-	50	5	1	-	6	44	45
<b>Total</b>	<b>97,530</b>	<b>10,706</b>	<b>9,581</b>	<b>98,655</b>	<b>38,960</b>	<b>6,825</b>	<b>6,605</b>	<b>39,180</b>	<b>59,475</b>	<b>58,570</b>
Previous Year	92,532	5,751	753	97,530	30,991	8,008	39	38,960	58,570	

**5. RIGHT OF USE OF ASSETS**

(₹ in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 <sup>st</sup> March, 2021	Additions	Deletions	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021	Additions	Deletions	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Building	-	449	-	449	-	100	-	-	349	-

**6. CAPITAL WORK-IN-PROGRESS**

(₹ in Lakhs)

<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>602</b>
Additions	4048
Assets Capitalised	3769
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>881</b>
Additions	16039
Assets Capitalised	9527
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>7393</b>

**Capital work-in-progress ageing**

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of 2021-22			Total More than 3 years	Total
	Less than 1 year	1-2 years	2-3 years		
<b>Projects in progress</b>					
<b>As at 31<sup>st</sup> March, 2022</b>	6,460	809	119	5	7,393
<b>As at 31<sup>st</sup> March, 2021</b>	661	215	5	-	881

As on the date of the balance sheet, there are no capital work in progress, projects whose completion is overdue or has exceeded the cost, based on approved plan.

**Notes to Consolidated Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)**
**7. OTHER INTANGIBLE ASSETS**

(₹ in Lakhs)

Particulars	Gross Block			Depreciation			Net Block			
	As at 31 <sup>st</sup> March, 2021	Additions	Deletions	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021	Additions	Deletions	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Intangible Assets</b>										
Software IT (ERP)	590	2	-	592	129	109	-	238	354	461
<b>Total</b>	<b>590</b>	<b>2</b>	<b>-</b>	<b>592</b>	<b>129</b>	<b>109</b>	<b>-</b>	<b>238</b>	<b>354</b>	<b>461</b>
Previous Year	160	430	-	590	79	50	-	129	461	

**8. INTANGIBLE ASSETS UNDER DEVELOPMENT**

(₹ in Lakhs)

<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>356</b>
Additions	73
Assets Capitalised	429
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>-</b>
Additions	15
Assets Capitalised	1
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>14</b>

**Intangible assets under development ageing schedule**

(₹ in Lakhs)

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>					
<b>As at 31<sup>st</sup> March, 2022</b>	14	-	-	14	14
<b>As at 31<sup>st</sup> March, 2021</b>	-	-	-	-	-

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

(₹ in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2022	Year Ended 31 <sup>st</sup> March, 2021
Opening Balance	3	19
Financial Charges	334	-
Direct Costs Attributable to Project	265	3
<b>Total Amount</b>	<b>602</b>	<b>22</b>
Less: Exp. Apportioned to Property, Plant and Equipment	204	19
<b>Balance yet to be allocated</b>	<b>398</b>	<b>3</b>

Note 1:- Borrowing cost capitalised refer Note No:- 39

Note 2;- Property, Plant and Equipment given as security for borrowings refer Note No:- 23

\* Refer Note No - 54 (a)



Notes to Consolidated Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

**9. INVESTMENTS-NON CURRENT**

	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Unquoted</b>		
<b>In Equity Instruments</b>		
(Measured at Cost)		
<b>Equity Shares of ₹ 10/- each fully paid-up</b>		
Kaamlo Platform Pvt. Limited	75	-
49,999 (Previous Year NIL)		
PKSS Infrastructure Pvt. Limited	-	-
3,900 (Previous Year 3900) ₹ 0.39 Lakh (Previous Year ₹ 0.39 Lakh)		
Kalyan Sangam Infratech Limited	4	4
37,500 (Previous Year 37,500)		
<b>Equity Shares of ₹ 20/- each fully paid-up</b>		
AP Mahesh Co-Operative Bank Limited	-	-
50 (Previous Year 50) ₹ 0.01 Lakh (Previous Year ₹ 0.01 Lakh)		
<b>Aggregate Amount of unquoted investments</b>	<b>79</b>	<b>4</b>

**10. OTHER FINANCIAL ASSETS**

	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Security Deposits	2,616	989
<b>TOTAL</b>	<b>2,616</b>	<b>989</b>

**11. OTHER NON-CURRENT ASSETS**

	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Capital Advances	5,106	499
Prepaid Expenses	296	92
<b>TOTAL</b>	<b>5,402</b>	<b>591</b>

**12. INVENTORIES**

	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Raw Materials	24,042	13,374
Stock-in-Process	7,817	7,256
Finished Goods	16,202	13,678
Traded Goods	188	180
Stores, Spares & Fuel	4,548	3,147
<b>TOTAL</b>	<b>52,797</b>	<b>37,635</b>

**12.1** For basis of valuation of inventories Refer Note No. 3 J

**12.2** The subsidiary Company does not have inventory in its books.

**12.3** The above Inventories as above are hypothecated against secured short term borrowings (Refer Note No. 26.1)



Notes to Consolidated Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

**13. TRADE RECEIVABLES**

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Unsecured</b>		
Undisputed Trade receivables – considered good	37,643	28,001
Undisputed Trade Receivables – credit impaired	283	283
	<b>37,926</b>	<b>28,284</b>
Less: Provision for Trade Receivables	283	283
<b>TOTAL</b>	<b>37,643</b>	<b>28,001</b>

**Trade receivables ageing schedule**

**From Other Parties (incl. Associates & JVs)**

**Unsecured**

(₹ in Lakhs)

Particulars	Outstanding from due date of payment						Total
	Not Due	< 6 months	6 months - 1 year	1-2 year	2-3 year	> 3 year	
<b>As at 31<sup>st</sup> March, 2022</b>							
Undisputed Trade receivables – considered good	-	35,642	1,464	515	22	-	37,643
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	220	33	30	283
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>35,642</b>	<b>1,464</b>	<b>735</b>	<b>55</b>	<b>30</b>	<b>37,926</b>
<b>As at 31<sup>st</sup> March, 2021</b>							
Undisputed Trade receivables – considered good	-	23,127	594	2,316	290	1,674	28,001
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	110	173	283
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>23,127</b>	<b>594</b>	<b>2,316</b>	<b>400</b>	<b>1,847</b>	<b>28,284</b>

**14. CASH & CASH EQUIVALENTS**

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balance with Banks	110	15
Cash on Hand	3	4
<b>TOTAL</b>	<b>113</b>	<b>19</b>



## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

### 15. BANK BALANCES OTHER THAN (II) ABOVE

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Earmarked Balances with banks for Unclaimed & Unpaid Dividends	23	22
Fixed Deposits with banks against Margin Money*	2,094	969
<b>TOTAL</b>	<b>2,117</b>	<b>991</b>

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

### 16. OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(Considered Good)</b>		
Security Deposits	344	272
Recoverable from NHAI UP Towards Arbitration Award (Refer Note No. 46)	1,367	1,367
Export Incentive Receivable	1,307	658
Export Growth Entitlement Receivables	408	408
GST Refund Receivable	1,166	490
Subsidy Receivable	1,090	1,344
Advances for Expenses	20	20
Less : Allowances for Advances	(20)	(20)
Inter Corporate Deposits - Unsecured	-	600
Advance to Employees	112	99
Interest Receivable	267	258
Accrued Income	29	19
Insurance Claim Receivable	1	6
<b>TOTAL</b>	<b>6,091</b>	<b>5,521</b>

### 17. CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Income Tax Refund Receivable	-	565
<b>TOTAL</b>	<b>-</b>	<b>565</b>

### 18. OTHER CURRENT ASSETS

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Recoverable from Govt.	56	52
Advance to Employees	-	5
Advance against Supplies	2,141	3,271
Balances with Revenue Authority	4,475	3,027
Prepaid Expenses	508	280
<b>TOTAL</b>	<b>7,180</b>	<b>6,635</b>

### 19. ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Plant & Machinery	776	-
<b>TOTAL</b>	<b>776</b>	<b>-</b>

## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

The Holding Company has shut down its 15MW thermal power point, pursuant to which the Company has classified the same as held for sale. The Plant has been carried at its fair value less cost to sales as its fair value is less than carrying amount in accordance with Ind AS 105. "Non current asset held for sale and discontinued operations". The Company has made partial sale during the year, amounting to ₹ 637 Lakhs.

### 20. EQUITY SHARE CAPITAL

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Authorised Share Capital:</b>		
6,40,00,000 (Previous Year 6,40,00,000) Equity share of ₹ 10 each	6,400	6,400
1,85,00,000 (Previous Year 1,85,00,000) Non - Cumulative Redeemable Preference Shares of ₹ 10 each	1,850	1,850
<b>TOTAL</b>	<b>8,250</b>	<b>8,250</b>
<b>Issued, Subscribed and Paid Up:</b>		
4,34,21,559 (Previous Year 4,34,21,559) Equity share of ₹ 10 each fully paid up	4,342	4,342
<b>TOTAL</b>	<b>4,342</b>	<b>4,342</b>

#### a. Terms and Rights attached to Equity Shares

Each holder of Equity Shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders. There is no restriction on distribution of dividend. However, same is subject to the approval of the shareholders in the Annual General Meeting.

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

Equity Shares as at 31 <sup>st</sup> March, 2021	4,34,21,559	3,94,21,559
Add: Shares Issued During the year	-	40,00,000
<b>Equity Shares as at 31<sup>st</sup> March, 2022</b>	<b>4,34,21,559</b>	<b>4,34,21,559</b>

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

Name of the Shareholder	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	No. of Shares	% held	No. of Shares	% held
Sangam E-Com Limited	78,73,087	18.13	78,73,087	18.13
Authum Investment and Infrastructure Limited	52,35,010	12.06	49,83,634	11.48
Nidhi Mercantiles Limited	38,28,868	8.82	48,98,833	11.28
Anurag Soni	38,38,665	8.84	37,10,397	8.55
Hawamahal Finance Pvt. Limited	23,35,500	5.38	23,35,500	5.38
Sangam Fincap Limited	22,16,145	5.10	22,16,145	5.10

#### d. Detail of Shares held by Promoter and Promoters group

As at 31<sup>st</sup> March, 2022

	No. of Shares as on 31 <sup>st</sup> March, 2022	No. of Shares as on 31 <sup>st</sup> March, 2021	% of total share As at 31 <sup>st</sup> March, 2022	% change in during the Year Ended
Ram Pal Soni HUF	2,48,300	2,48,300	0.57%	0%
Anjana Soni Thakur	2,03,750	2,03,750	0.47%	0%
Radhadevi Soni	7,77,761	7,77,761	1.79%	0%
Mamta Modani	5,05,404	5,05,404	1.16%	0%
Archana Sodani	4,60,774	4,60,774	1.06%	0%
Antima Soni	2,46,050	2,46,050	0.57%	0%
Anurag Soni	38,38,665	37,10,397	8.84%	3%



Value through values

## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

	No. of Shares as on 31 <sup>st</sup> March, 2022	No. of Shares as on 31 <sup>st</sup> March, 2021	% of total share As at 31 <sup>st</sup> March, 2022	% change in during the Year Ended
Ram Pal Soni	14,53,950	14,53,950	3.35%	0%
Shri Niwas Modani	4,99,779	4,99,779	1.15%	0%
Vinod Kumar Sodani (HUF)	5,000	-	0.01%	100%
Badari Lal Rampal Soni HUF	-	1,28,268	0.00%	(100%)
<b>Promoters (A)</b>	<b>82,39,433</b>	<b>82,34,433</b>	<b>18.98%</b>	
Finworth Investment Pvt. Limited	4,75,260	4,75,260	1.09%	0%
Hawamahal Finance Pvt. Limited	23,35,500	23,35,500	5.38%	0%
Necco Shipping Company Pvt. Limited	12,74,744	2,82,450	2.94%	351%
Nikita Credits Pvt. Limited	3,58,200	3,58,200	0.82%	0%
Neelgagan Commercial Company Limited	14,00,000	14,00,000	3.22%	0%
Scorpio Credits Pvt. Limited	5,36,255	5,36,255	1.23%	0%
Sarvodaya Holdings Pvt. Limited	11,27,771	11,27,771	2.60%	0%
Sangam Granite Pvt. Limited	1,20,815	1,20,815	0.28%	0%
Sangam Fincap Limited	22,16,145	22,16,145	5.10%	0%
Sahyog Finance Limited	2,32,750	2,32,750	0.54%	0%
Sangam Suiting Pvt. Limited	2,63,670	2,63,670	0.61%	0%
Park View Investment Pvt. Limited	2,26,065	2,26,065	0.52%	0%
Sangam E Com Limited	78,73,087	78,73,087	18.13%	0%
<b>Promoters Group (B)</b>	<b>1,84,40,262</b>	<b>1,74,47,968</b>	<b>42.47%</b>	
<b>Promoters &amp; Promoters Group (A+B)</b>	<b>2,66,79,695</b>	<b>2,56,82,401</b>	<b>61.44%</b>	

### As at 31<sup>st</sup> March, 2021

	No. of Shares as on 31 <sup>st</sup> March, 2021	No. of Shares as on 31 <sup>st</sup> March, 2020	% of total share As at 31 <sup>st</sup> March, 2021	% change in during the Year Ended
Ram Pal Soni HUF	2,48,300	2,48,300	0.57%	0%
Anjana Soni Thakur	2,03,750	3,750	0.47%	5333%
Radhadevi Soni	7,77,761	3,77,761	1.79%	106%
Mamta Modani	5,05,404	1,05,404	1.16%	380%
Archana Sodani	4,60,774	60,774	1.06%	658%
Antima Soni	2,46,050	46,050	0.57%	434%
Anurag Soni	37,10,397	27,10,397	8.55%	37%
Ram Pal Soni	14,53,950	4,53,950	3.35%	220%
Shri Niwas Modani	4,99,779	99,779	1.15%	401%
Badari Lal Rampal Soni HUF	1,28,268	1,28,268	0.30%	0%
<b>Promoters (A)</b>	<b>82,34,433</b>	<b>42,34,433</b>	<b>18.96%</b>	
Finworth Investment Pvt. Limited	4,75,260	4,75,260	1.09%	0%
Hawamahal Finance Pvt. Limited	23,35,500	23,35,500	5.38%	0%
Necco Shipping Company Pvt. Limited	2,82,450	2,82,450	0.65%	0%
Nikita Credits Pvt. Limited	3,58,200	3,58,200	0.82%	0%
Neelgagan Commercial Company Limited	14,00,000	14,00,000	3.22%	0%
Scorpio Credits Pvt. Limited	5,36,255	5,36,255	1.23%	0%
Sarvodaya Holdings Pvt. Limited	11,27,771	11,27,771	2.60%	0%
Sangam Granite Pvt. Limited	1,20,815	1,20,815	0.28%	0%
Sangam Fincap Limited	22,16,145	22,16,145	5.10%	0%
Sahyog Finance Limited	2,32,750	2,32,750	0.54%	0%
Sangam Suiting Pvt. Limited	2,63,670	2,63,670	0.61%	0%
Park View Investment Pvt. Limited	2,26,065	2,26,065	0.52%	0%
Sangam E Com Limited	78,73,087	78,73,087	18.13%	0%
<b>Promoters Group (B)</b>	<b>1,74,47,968</b>	<b>1,74,47,968</b>	<b>40.18%</b>	
<b>Promoters &amp; Promoters Group (A+B)</b>	<b>2,56,82,401</b>	<b>2,16,82,401</b>	<b>59.15%</b>	

Notes to Consolidated Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

**21. OTHER EQUITY**

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Capital Reserve</b>		
Balance at the beginning of the year	297	297
Addition during the Financial Year	-	-
<b>Balance at the end of the year</b>	<b>297</b>	<b>297</b>
<b>Securities Premium</b>		
Balance at the beginning of the year	7,468	5,868
Addition during the Financial Year	-	1,600
<b>Balance at the end of the year</b>	<b>7,468</b>	<b>7,468</b>
<b>Preference Share Capital Redemption Reserve</b>		
Balance at the beginning of the year	1,178	1,178
Addition during the Financial Year	-	-
<b>Balance at the end of the year</b>	<b>1,178</b>	<b>1,178</b>
<b>General Reserve</b>		
Balance at the beginning of the year	22,818	22,818
Addition during the Financial Year	-	-
<b>Balance at the end of the year</b>	<b>22,818</b>	<b>22,818</b>
<b>Retained Earnings</b>		
Balance at the beginning of the year	19,108	18,820
Add:		
Profit for the year	14,065	421
Remeasurement profit on defined benefit plans (net of taxes)	123	261
On account of merger of subsidiary Company	59	-
Less: Appropriations		
Dividend on Equity Shares - ₹ 1/- per share, (P.Y. ₹ 1/- per share)	435	394
<b>Balance at the end of the year</b>	<b>32,920</b>	<b>19,108</b>
<b>Other Comprehensive Income</b>		
Balance at the beginning of the year	24	(210)
Addition during the year	(19)	234
<b>Balance at the end of the year</b>	<b>5</b>	<b>24</b>
<b>TOTAL</b>	<b>64,686</b>	<b>50,892</b>

**Nature and Purpose of Other Reserves / Other Equity**

**21.1 Capital Reserve**

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

**21.2 Securities Premium**

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

**21.3 Preference Share Capital Redemption Reserve**

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



## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

### 21.4 General Reserve

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

### 21.5 Remeasurement of defined benefit plans

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

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

### 21.6 Dividend

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

	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Dividend for the year ended 31 <sup>st</sup> March, 2021 ₹ 1 per share (31 <sup>st</sup> March, 2020 ₹ 1 per share)	435	394
<b>TOTAL</b>	<b>435</b>	<b>394</b>

## 22. SHARE WARRANTS

	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Share Warrants	2,565	-
<b>TOTAL</b>	<b>2,565</b>	<b>-</b>

During the year, The Holding Company has made preferential issue of 57,00,000 Convertible share warrant of ₹ 180 each (Face value of ₹ 10 each) in accordance with SEBI guidelines and has received 25 % upfront money amounting to ₹ 2,565 Lakhs. The Balance 75% of the Warrant Issue price shall be paid by the warrant holder at the time of Exercise of option of Shares. The same shall be convertible in to 1 Fully paid up equity shares of ₹ 10 each within 18 Months from the date of Issue of Allotment of Warrants.

## 23. BORROWINGS

	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Secured</b>		
<b>Term Loans From Banks</b>		
Rupee Loans	17,617	19,945
Vehicle Loans	438	492
<b>TOTAL</b>	<b>18,055</b>	<b>20,437</b>

**23.1** All Term Loans from banks (including current maturities) except vehicle loan are secured by a joint equitable mortgage by deposit of title deeds in respect of all immovable properties and first hypothecation of the entire moveable properties of the Holding Company, both present and future (save and except book debts) subject to prior charges created/to be created in favour of bankers for securing working capital borrowing, ranking pari-passu with the charges created / to be created in favour of other participating bankers. The above Term Loans are further secured by personal guarantee of two directors of the holding Company.

**Notes to Consolidated Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)**

**23.2** Vehicle Loans (including current maturities) are secured by hypothecation of respective vehicle(s).

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

**Term Loans from Banks & Financial Institutions**
**A) Floating Rate-Carrying Floating interest rate MCLR+ 0.75% to 3.90%**

(₹ in Lakhs)

Date of maturity	Outstanding as on 31 <sup>st</sup> March, 2022			Instalments due after 31 <sup>st</sup> March, 2022 (Qtrly)
	Total Outstanding	Long Term Maturity	Current Maturity	
<b>(a) From Banks:</b>				
20th March, 2024	1,200	600	600	8
30th June, 2024	1,800	1,000	800	9
31st December, 2024	2,737	1,537	1,200	11
01st July, 2025	3,278	2,572	707	13
30th June, 2026	7,814	6,114	1,700	17
01st October, 2028	2,048	1,845	203	27
01st January, 2031	2,334	2,334	-	32
01st January, 2031	1,557	1,556	-	32
01st January, 2032	59	59	-	32
<b>Sub Total (A)</b>	<b>22,827</b>	<b>17,617</b>	<b>5,210</b>	

**B) Carrying interest rate 1 yr MCLR )**

(₹ in Lakhs)

Date of maturity	Outstanding as on 31 <sup>st</sup> March, 2022			Instalments due after 31 <sup>st</sup> March, 2022 (Monthly)
	Total Outstanding	Long Term Maturity	Current Maturity	
<b>(a) From Banks:</b>				
31st July, 2022	454	-	454	-
<b>Sub Total (B)</b>	<b>454</b>	<b>-</b>	<b>454</b>	

**C) Carrying interest rate 1 yr MCLR+0.50% )**

(₹ in Lakhs)

Date of maturity	Outstanding as on 31 <sup>st</sup> March, 2022			Instalments due after 31 <sup>st</sup> March, 2022 (Monthly)
	Total Outstanding	Long Term Maturity	Current Maturity	
<b>(a) From Banks:</b>				
31st July, 2022	347	-	347	-
<b>Sub Total (C)</b>	<b>347</b>	<b>-</b>	<b>347</b>	<b>-</b>
<b>Total (A+B+C)</b>	<b>23,628</b>	<b>17,617</b>	<b>6,011</b>	<b>-</b>

**Vehicle Loans from Banks**
**Carrying Fixed interest rate 6.85% to 10.01%**

(₹ in Lakhs)

Date of maturity	Outstanding as on 31 <sup>st</sup> March, 2022			Instalments due after 31 <sup>st</sup> March, 2022 (Monthly)
	Total Outstanding	Long Term Maturity	Current Maturity	
From Banks	606	438	168	2-70
<b>Sub Total ('C)</b>	<b>606</b>	<b>438</b>	<b>168</b>	
<b>Total (A+B+C)</b>	<b>24,234</b>	<b>18,055</b>	<b>6,179</b>	



Notes to Consolidated Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

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

(₹ in Lakhs)

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

**B) Carrying interest rate (1 Year MCLR)**

(₹ in Lakhs)

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

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

(₹ in Lakhs)

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

**Vehicle Loans from Banks & Financial Institutions**

**D) Carrying Fixed interest rate 7.5% to 10.60%**

(₹ in Lakhs)

Particulars	Outstanding as on 31 <sup>st</sup> March, 2021			Installments due after 31 <sup>st</sup> March, 2021 (Monthly)
	Total Outstanding	Long Term Maturity	Current Maturity	
From Banks	657	492	165	1-82
<b>Sub Total (D)</b>	<b>657</b>	<b>492</b>	<b>165</b>	
<b>GRAND TOTAL (A+B+C+D)</b>	<b>28,004</b>	<b>20,437</b>	<b>7,567</b>	

**24. LEASE LIABILITY**

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Lease Liability (Refer Note No :- 55)	219	-
<b>Total</b>	<b>219</b>	<b>-</b>



Notes to Consolidated Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

**25. DEFERRED TAX LIABILITIES (NET)**

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Deferred Tax Assets</b>		
Accrued expenses allowable on payment basis	237	721
Related to Unabsorbed Depreciation & losses	-	229
Allowance for Bad & Doubtful Debts	71	106
<b>sub total (a)</b>	<b>308</b>	<b>1,056</b>
<b>Deferred Tax Liabilities</b>		
Related to Property, Plant and Equipment and Intangible Assets	4,078	6,183
Others	16	14
<b>sub total (b)</b>	<b>4,094</b>	<b>6,197</b>
<b>Less : MAT Credit Entitlement ©*</b>	-	246
<b>Deferred Tax Liabilities (Net) (b)-(a)-(c)</b>	<b>3,786</b>	<b>4,895</b>

\*Derecognised on utilising the option for the application of section 115BAA of the Income Tax Act 1961

(₹ in Lakhs)

A. Movement in deferred tax balances	As at 31 <sup>st</sup> March, 2021	Recognised in P&L	Recognised in OCI	As at 31 <sup>st</sup> March, 2022
<b>As at 31<sup>st</sup> March, 2022</b>				
<b>(a) Deferred Tax Assets</b>				
Accrued expenses allowable on payment basis	721	(442)	(41)	237
Related to Unabsorbed Depreciation & losses	229	(229)	-	-
Allowance for Bad & Doubtful Debts	106	(35)	-	71
<b>Sub-Total (a)</b>	<b>1,056</b>	<b>(706)</b>	<b>(41)</b>	<b>308</b>
<b>(b) Deferred Tax Liabilities</b>				
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	6,183	(2,105)	-	4,078
Fair value changes on derivatives designated as cash flow hedges	14	9	(6)	16
<b>Sub-Total (b)</b>	<b>6,197</b>	<b>(2,096)</b>	<b>(6)</b>	<b>4,094</b>
<b>MAT Credit Entitlement</b>				
MAT Credit Earlier Year	246	(246)	-	-
<b>Sub-Total (c)</b>	<b>246</b>	<b>(246)</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax Liabilities (Net) (b)-(a)-(c)</b>	<b>4,895</b>	<b>(1,144)</b>	<b>35</b>	<b>3,786</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>4,895</b>	<b>(1,144)</b>	<b>35</b>	<b>3,786</b>

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2020	Recognised in P&L	Recognised in OCI	As at 31 <sup>st</sup> March, 2021
<b>As at 31<sup>st</sup> March, 21</b>				
<b>(a) Deferred Tax Assets</b>				
Accrued expenses allowable on payment basis	798	62	(139)	721
Related to Unabsorbed Depreciation & losses	204	25	-	229
Allowance for Bad & Doubtful Debts	105	1	-	106
<b>Sub-Total (a)</b>	<b>1,107</b>	<b>88</b>	<b>(139)</b>	<b>1,056</b>



Notes to Consolidated Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2020	Recognised in P&L	Recognised in OCI	As at 31 <sup>st</sup> March, 2021
<b>(b) Deferred Tax Liabilities</b>				
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	6,393	(210)	-	6,183
Fair value changes on derivatives designated as cash flow hedges	(113)	-	127	14
<b>Sub-Total (b)</b>	<b>6,280</b>	<b>(210)</b>	<b>127</b>	<b>6,197</b>
<b>MAT Credit Entitlement</b>				
MAT Credit Earlier Year	262	647	-	909
MAT Credit Current Year	-	-	-	(663)
<b>Sub-Total (c)</b>	<b>262</b>	<b>647</b>	<b>-</b>	<b>246</b>
<b>Deferred Tax Liabilities (Net) (b)-(a)-(c)</b>	<b>4,911</b>	<b>(945)</b>	<b>266</b>	<b>4,895</b>

(₹ in Lakhs)

B. Amounts recognised in profit or loss	For the Year Ended 31 <sup>st</sup> March, 2022	For the Year Ended 31 <sup>st</sup> March, 2021
<b>Current tax expense</b>		
Current Year	5,304	724
Earlier Years	429	(647)
	<b>5,733</b>	<b>77</b>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(1,389)	(300)
	<b>(1,389)</b>	<b>(300)</b>
<b>Total Tax Expense</b>	<b>4,344</b>	<b>(223)</b>

(₹ in Lakhs)

C. Amounts recognised in Other Comprehensive Income	For the year ended 31 <sup>st</sup> March, 2022		
	Before tax	Tax (Expense) / Income	Net of tax
Remeasurements of defined benefit liability	164	(41)	123
Fair value changes on derivatives designated as cash flow hedges	(25)	6	(19)
<b>TOTAL</b>	<b>139</b>	<b>(35)</b>	<b>104</b>

(₹ in Lakhs)

	For the year ended 31 <sup>st</sup> March, 2021		
	Before tax	Tax (Expense) / Income	Net of tax
Remeasurements of defined benefit liability	400	(139)	261
Fair value changes on derivatives designated as cash flow hedges	361	(127)	234
	<b>761</b>	<b>(266)</b>	<b>495</b>

**Notes to Consolidated Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)**

(₹ in Lakhs)		
D. The income tax expenses for the year reconciled to the accounting profit as follows :	2021-22	2020-21
Profit Before Tax	18,409	198
Applicable Tax Rate*	25.17%	34.94%
Computed Tax Expense	4,633	69
<b>Tax effect of :</b>		
Exempted income / Items Considered Separately	-	(49)
Expenses Disallowed	875	901
Additional Allowances	(212)	(197)
<b>Current Tax Provision (A)</b>	<b>5,296</b>	<b>724</b>
Incremental Deferred Tax Liability on account of Tangible and Intangible Assets	(1,389)	(273)
Incremental Deferred Tax on account of Unabsorbed Business Losses	-	(27)
<b>Taxes recognised in Statement of Profit &amp; Loss (B)</b>	<b>(1,389)</b>	<b>(300)</b>
<b>Net Taxes (A+B)</b>	<b>3,907</b>	<b>424</b>
Effective Tax Rate	21.23%	214.21%

\*The Group elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws(Amendment) ordinance, 2019. Accordingly, the Company has recognised provision for current tax for the quarter and year ended 31<sup>st</sup> March, 2022 basis the rate prescribed in that section.

**26. BORROWINGS**

(₹ in Lakhs)		
Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Secured</b>		
<b>Loans Repayable on Demand from Banks</b>		
Rupee Loans	10,698	23,944
Current maturities of long term debt	6,179	7,567
Foreign Currency Loans	25,737	7,002
<b>TOTAL</b>	<b>42,614</b>	<b>38,513</b>
<b>Unsecured</b>		
<b>Loans Repayable on Demand from Others</b>		
Rupee Loans (Refer Note No. 26.4)	15,370	-
<b>TOTAL (B)</b>	<b>15,370</b>	<b>-</b>
<b>TOTAL (A+B)</b>	<b>57,984</b>	<b>38,513</b>

**26.1** Borrowings from Banks for working capital are secured by hypothecation of inventories and charge on book debts both present and future and second charge on all the immovable and moveable Property, Plant & Equipments of the holding Company. The above borrowing are further secured by personal guarantee of two directors of the holding Company. There is no default in repayment or interest or principal amount of any loans on due dates.

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

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



## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

**26.4** Unsecured Loans comprises of discounting and rediscounting facility availed from various NBFCS and third party platforms as registered under RBI regulations, for discounting the bills. The holding Company has to make the outstanding payments to the NBFCS & third party in accordance with the agreement and procedural guidelines, on the due date. The Interest rate for the same is up to 11.00%.

### 27. LEASE LIABILITIES

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Lease Liability (Refer Note No :- 55)	143	-
<b>TOTAL</b>	<b>143</b>	<b>-</b>

(₹ in Lakhs)

### 28. TRADE PAYABLES

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Total outstanding dues of Micro enterprises and Small enterprises (Refer Note No. 47)	1,128	630
Total outstanding dues of creditors other than micro enterprises and Small enterprises	12,245	10,977
<b>TOTAL</b>	<b>13,373</b>	<b>11,607</b>

(₹ in Lakhs)

#### Trade Payable Ageing Schedule

As at 31<sup>st</sup> March, 2022

Particulars	Outstanding from due date of payment					Total
	Unbilled	< 1 year	1-2 year	2-3 year	> 3 year	
<b>Undisputed ;</b>						
Total outstanding dues of micro enterprises and small enterprises	-	1,128	-	-	-	1,128
Total outstanding dues of creditors other than micro enterprises and small enterprises	673	10,980	440	147	5	12,245
<b>Disputed ;</b>	-	-	-	-	-	-
<b>Total</b>	<b>673</b>	<b>12,108</b>	<b>440</b>	<b>147</b>	<b>5</b>	<b>13,373</b>

(₹ in Lakhs)

As at 31<sup>st</sup> March, 2021

Particulars	Outstanding from due date of payment					Total
	Unbilled	< 1 year	1-2 year	2-3 year	> 3 year	
<b>Undisputed ;</b>						
Total outstanding dues of micro enterprises and small enterprises	-	630	-	-	-	630
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	10,717	190	7	63	10,977
<b>Disputed ;</b>	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>11,347</b>	<b>190</b>	<b>7</b>	<b>63</b>	<b>11,607</b>

(₹ in Lakhs)

### 29. OTHER FINANCIAL LIABILITIES

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Interest accrued but not due on borrowings	58	75
Unpaid Dividends #	22	22
Creditors for Capital Expenditure	1,967	895
Security Deposits	504	401
Liability towards Staff and Workers	2,132	1,824

(₹ in Lakhs)

**Notes to Consolidated Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)**

(₹ in Lakhs)

	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
Commission Payable on Sales	1,878	1,193
Liabilities for Expenses *	6,629	3,036
<b>TOTAL</b>	<b>13,190</b>	<b>7,446</b>
# There is no overdue amount to be credited to investor education & protection fund.		
* Include total outstanding dues of micro enterprises and small enterprises	20	21

**30. OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
Security Deposits	-	2
Advance from Customers	1,202	718
Liabilities for Expenses	67	76
Statutory Dues	504	239
<b>TOTAL</b>	<b>1,773</b>	<b>1,035</b>

**31. CURRENT TAX LIABILITIES (NET)**

(₹ in Lakhs)

	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
Income Tax Payables	384	-
<b>TOTAL</b>	<b>384</b>	<b>-</b>

**32. PROVISIONS**

(₹ in Lakhs)

	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
Provisions for Employee Benefits	1,899	1,696
<b>TOTAL</b>	<b>1,899</b>	<b>1,696</b>

**33. REVENUE FROM OPERATIONS**

(₹ in Lakhs)

	<b>2021-22</b>	<b>2020-21</b>
Sale of Products/ Income from Services	2,43,776	1,35,897
<b>TOTAL</b>	<b>2,43,776</b>	<b>1,35,897</b>

(₹ in Lakhs)

<b>PARTICULARS OF SALE OF PRODUCTS/SERVICES</b>	<b>2021-22</b>	<b>2020-21</b>
<b>a) Sale of Products</b>		
Finished Goods	2,23,554	1,27,520
Traded Goods	8,001	959
<b>TOTAL</b>	<b>2,31,555</b>	<b>1,28,479</b>
<b>b) Sale of Services</b>		
Job Processing	7,037	5,081
<b>TOTAL</b>	<b>7,037</b>	<b>5,081</b>
<b>c) Other Operating Revenues</b>		
Sale of Waste	1,597	1,074
Export Benefits / Incentives	3,587	1,263
<b>TOTAL</b>	<b>5,184</b>	<b>2,337</b>
<b>TOTAL (a+b+c)</b>	<b>2,43,776</b>	<b>1,35,897</b>



Notes to Consolidated Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

**34. OTHER INCOME**

	(₹ in Lakhs)	
	2021-22	2020-21
<b>Interest Income on Financial Assets at amortised cost</b>		
from Customers	238	341
from Others	179	101
<b>Other Non-Operating Income</b>		
Insurance Claim	3	5
Rent	55	3
Net Gain on Foreign Currency Fluctuation	72	359
Profit on Sale of Property, Plant & Equipment (Net)	121	140
Miscellaneous Receipts	46	32
<b>TOTAL</b>	<b>714</b>	<b>981</b>

**35. COST OF MATERIALS CONSUMED**

	(₹ in Lakhs)	
	2021-22	2020-21
Raw Material Consumed	1,23,792	65,462
Consumption of Dyes & Chemical	9,691	5,231
<b>TOTAL</b>	<b>1,33,483</b>	<b>70,693</b>

**36. PURCHASES OF STOCK IN TRADE**

	(₹ in Lakhs)	
	2021-22	2020-21
Stock in Trade – Yarn	811	-
Stock in Trade – Fabric	2,969	894
Stock in Trade – Seamless Garment	696	146
<b>TOTAL</b>	<b>4,476</b>	<b>1,040</b>

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

	(₹ in Lakhs)	
	2021-22	2020-21
<b>Inventories at the end of the year</b>		
Finished Goods	16,202	13,678
Work-in-Progress	7,817	7,256
	<b>24,019</b>	<b>20,934</b>
<b>Inventories at the beginning of the year</b>		
Finished Goods	13,678	17,366
Work-in-Progress	7,256	6,349
On account of merger of subsidiary Company (Refer Note No. 54 (a))	(481)	-
	<b>20,453</b>	<b>23,715</b>
<b>(INCREASE) / DECREASE IN INVENTORY</b>	<b>(3,567)</b>	<b>2,781</b>

**Notes to Consolidated Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)**
**38. EMPLOYEE BENEFITS EXPENSE**

	(₹ in Lakhs)	
	<b>2021-22</b>	<b>2020-21</b>
Salaries and Wages	18,614	13,906
Contribution to Provident and Other Funds	1,327	933
Staff Welfare Expenses	154	122
<b>TOTAL</b>	<b>20,095</b>	<b>14,961</b>

**39. FINANCE COSTS**

	(₹ in Lakhs)	
	<b>2021-22</b>	<b>2020-21</b>
Interest Expenses	4,292	4,509
Other Borrowing Costs	488	350
Loss on foreign currency transactions and translation (Considered as finance cost)	-	80
<b>TOTAL</b>	<b>4,780</b>	<b>4,939</b>
Net of interest Capitalised (Refer note no. 4)	31	-
Net of interest Subsidy (TUF /RIPS)	360	750

**40. DEPRECIATION AND AMORTISATION EXPENSE**

	(₹ in Lakhs)	
	<b>2021-22</b>	<b>2020-21</b>
Depreciation on Tangible Assets	6,925	8,008
Amortisation of Intangible Assets	109	50
<b>TOTAL</b>	<b>7,034</b>	<b>8,058</b>

**41. POWER & FUEL**

	(₹ in Lakhs)	
	<b>2021-22</b>	<b>2020-21</b>
Power and Fuel Expenses	24,539	15,747
<b>TOTAL</b>	<b>24,539</b>	<b>15,747</b>

**42. OTHER EXPENSES**

	(₹ in Lakhs)	
	<b>2021-22</b>	<b>2020-21</b>
<b>A. Manufacturing Expenses</b>		
Stores & Spares Consumed	3,950	3,147
Packing Material Consumed	2,930	1,698
Processing and Job Charges	3,365	2,020
Repairs To : Plant & Machinery	473	353
: Building	76	73
: Others	54	38
Misc. Manufacturing Expenses	2,313	1,600
<b>Sub Total (A)</b>	<b>13,161</b>	<b>8,929</b>
<b>B. Administrative Expenses</b>		
Rent (including short term lease rent )	184	229
Rates & Taxes	180	83
Payments to Auditors : Statutory Audit Fees	19	15
Reimbursement of Expenses	1	-



## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

	(₹ in Lakhs)	
	2021-22	2020-21
Cost Audit Fees	1	1
Insurance Premium	539	461
Directors' Travelling	34	1
Travelling & Conveyance	183	110
Telephone & Postage	365	148
Directors' Remuneration	1,296	381
Printing & Stationery	38	20
Legal & Professional Fees	418	199
Vehicle Running & Maintenance	524	414
Director's Sitting Fees	18	13
Charity and Donations	1	-
Advances Written Off	128	252
Miscellaneous Expenses	373	232
Contribution towards CSR (Refer Note No. 57)	33	97
Preliminary Expenses	24	-
<b>Sub Total (B)</b>	<b>4,359</b>	<b>2,656</b>
<b>C. Selling &amp; Distribution Expenses</b>		
Sales Commission & Brokerage	3,796	1,910
Freight, Octroi and Other Selling Expenses	10,516	4,103
Provision for Doubtful Debts*	2,180	863
<b>Sub Total (C)</b>	<b>16,492</b>	<b>6,876</b>
<b>TOTAL (A+B+C+D)</b>	<b>34,012</b>	<b>18,461</b>

\*(Bad Debts written off ₹ 2180 Lakhs (Previous Year ₹ 861 Lakhs) out of Provision for Doubtful Debts)

### 43. EXCEPTIONAL ITEMS

	(₹ in Lakhs)	
	2021-22	2020-21
Impairment loss on Assets Classified as Held for Sale	1,229	-
<b>TOTAL</b>	<b>1,229</b>	<b>-</b>

The Impairment loss is on account of Assets classified as held for sale being valued Recoverable amount since its Recoverable amount is lower than its Carrying amount.

The difference between the same has been shown as Impairment Loss in accordance with Ind AS 36.

### 44. OTHER COMPREHENSIVE INCOME

	(₹ in Lakhs)	
	2021-22	2020-21
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement of defined benefit plans	164	400
Tax relating to remeasurement of defined benefit plans	(41)	(139)
<b>Sub Total (A)</b>	<b>123</b>	<b>261</b>
<b>Items that will be reclassified to profit or loss</b>		
Fair value changes on derivatives designated as cash flow hedges	(25)	361
Tax on items that will be reclassified subsequently to Profit & Loss	6	(127)
<b>Sub Total (B)</b>	<b>(19)</b>	<b>234</b>
<b>TOTAL (A+B)</b>	<b>104</b>	<b>495</b>



**Notes to Consolidated Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)**
**45. EARNINGS PER SHARE (EPS)**

	(₹ in Lakhs)	
	<b>2021-22</b>	<b>2020-21</b>
i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders ₹ in Lakhs	15,223	421
Less : Exceptional Items	1,229	-
Net Profit after Exceptional Items	13,994	421
ii) Weighted Average number of equity shares used as denominator for calculating EPS	4,34,21,559	4,04,29,778
iii) Weighted Average number of potential equity shares added as denominator for calculating Dilued EPS	2,30,250	-
iv) Basic Earning per share (before exceptional items)	35.06	1.04
v) Basic Earning per share (After exceptional items)	32.23	1.04
vi) Diluted Earning per share (before exceptional items)	34.87	1.04
vii) Diluted Earning per share (after exceptional items)	32.06	1.04
viii) Face Value per equity share (₹)	10	10

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

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

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

Particulars	(₹ in Lakhs)	
	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
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*	1148	651
- Interest due on above	-	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	-	-

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



## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

\* Include total outstanding dues of micro enterprises and small enterprises of ₹ 1128 Lakhs (Previous Year ₹ 630 Lakhs) included in Trade Payables.

\* Include total outstanding dues of micro enterprises and small enterprises of ₹ 20 Lakhs (Previous Year ₹ 21 Lakhs) in other liabilities under the other current financial liabilities.

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

#### (A) Details of Related Parties

##### 1 Key Managerial Personnel (KMP)

Shri R.P. Soni	Chairman
Dr. S.N. Modani	Managing Director & Chief Executive Officer
Shri V.K. Sodani	Executive Director
Shri Anurag Soni	Director & CFO
Shri A.K. Jain	Company Secretary

##### 2 Non Executive Director/ Independent Director

Shri Achintya Karati
Shri T.K. Mukhopadhyay
Smt. Jyoti Sharma
Shri Yaduvendra Mathur

##### 3 Relatives of Key Managerial Personnel (KMP)

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

##### 4 Other Related Parties

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

#### (B) DISCLOSURE OF RELATED PARTY TRANSACTIONS:

S. No.	Nature of transaction/relationship/major parties	Relationship	(₹ in Lakhs)	
			2021-22 Amount	2020-21 Amount
1	<b>Purchase of goods &amp; services (including commission paid)</b>			
	<b>(a) Purchase of Land</b>			
	Laddha Construction Company Pvt. Limited	Other Related Parties	-	1,199

Notes to Consolidated Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

(₹ in Lakhs)

S. No.	Nature of transaction/relationship/major parties	Relationship	2021-22	2020-21
			Amount	Amount
	<b>(b) Purchase of Goods</b>			
	SMW Ispat Pvt. Limited	Other Related Parties	1,185	-
<b>2</b>	<b>Sale of goods/contract revenue &amp; services</b>			
	<b>(a) Sale of Services</b>			
	SMW Ispat Pvt. Limited	Other Related Parties	-	52
<b>3</b>	<b>Lease Liability paid</b>			
	Shri Ram Pal Soni	Key Managerial Personnel (KMP)	8	-
	Shri Anurag Soni	Key Managerial Personnel (KMP)	14	13
	Smt. Radha Devi Soni	Relatives of Key Managerial Personnel (KMP)	74	90
	Smt. Mamta Modani	Relatives of Key Managerial Personnel (KMP)	5	5
	Smt. Antima Bass	Relatives of Key Managerial Personnel (KMP)	14	18
	Smt. Krippie Soni	Relatives of Key Managerial Personnel (KMP)	24	6
	Shri R.P. Soni HUF	Other Related Parties	12	12
	Laddha Construction Company Pvt. Limited	Other Related Parties	39	23
<b>4</b>	<b>Insurance paid for</b>			
	(a) Key Managerial Personnel			
	Dr. S.N. Modani	Key Managerial Personnel (KMP)	12	12
	Shri V.K. Sodani	Key Managerial Personnel (KMP)	12	-
	Shri Anurag Soni	Key Managerial Personnel (KMP)	14	10
<b>5</b>	<b>Compensation paid to key management personnel:</b>			
	<b>Remuneration</b>			
	<b>(1) Short-term employment benefits / Salary</b>			
	<b>(i) Key Managerial Personnel</b>			
	Shri R.P. Soni		320	193
	Dr. S.N. Modani		159	106
	Shri V.K. Sodani		66	57
	Shri Anurag Soni		75	47
	Shri A.K. Jain		8	6
	<b>(ii) Relatives of Key Managerial Personnel</b>			
	Smt. Mamta Modani		48	12
	Smt. Archana Sodani		24	6
	Shri Pranal Modani		43	29
	Smt. Palak Modani		11	7
	Smt. Sakshi Modani	Relative of Director	8	-
	Smt. Mihika Sodani	Relative of Director	77	48
	<b>(2) Director Sitting fees</b>			
	Shri Achintya Karati		5	6
	Shri T.K. Mukhopadhyay		5	6



Notes to Consolidated Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

(₹ in Lakhs)

S. No.	Nature of transaction/relationship/major parties	Relationship	2021-22	2020-21
			Amount	Amount
	Smt. Jyoti sharma		3	2
	Shri Yaduvendra Mathur		4	-
	<b>(3) Commission</b>			
	Shri R.P. Soni		208	6
	Shri S.N. Modani		208	6
	Shri V.K. Sodani		52	2
	Shri Anurag Soni		208	-
<b>6</b>	<b>Expenditure Incurred in CSR</b>			
	(i) M/S Badri Lal Soni Charitable Trust	Other Related Parties	29	7
	(ii) M/S Kesar Bai Soni Charitable Trust	Other Related Parties	11	56

**(C) Amount due to/from related parties:**

(₹ in Lakhs)

S. No.	Nature of transaction/relationship/major parties	Relationship	2021-22	2020-21
			Amount	Amount
<b>1</b>	<b>Other Payables</b>			
	SMW Ispat Pvt. Limited	Other Related Parties	49	-

**49. CONTINGENT LIABILITIES AND COMMITMENTS**

(₹ in Lakhs)

		2021-22	2020-21
<b>(I) Contingent Liabilities:</b>			
<b>(a) Guarantees:</b>			
	Outstanding Bank Guarantees (Excluding Financial Guarantees)	413	365
<b>(b) Other Money for which the Company is contingently liable:</b>			
1	Stamp Duty dispute pending with Rajasthan High Court, Jodhpur under Rajasthan Stamp Duty Act, 1998.	89	109
2	Various cases pending with Central Excise under Central Excise Act, 1944 & Service Tax cases under Finance Act, 1994 (Net of amount fully provided).	452	452
3	Dispute of Fixed Charges recovery pending with APTEL, New Delhi under Electricity Act, 2003.	42	66
4	Entry Tax dispute for the year 2014-15 & 2015-16 under The Rajasthan Tax on Entry of Goods into Local Area Act, 1999 regarding to interest /penalty.	47	47
<b>5</b>	<b>Disputed VAT Liabilities under The Rajasthan Value Added Tax Act, 2003 in respect of :</b>		
5.1	Input Tax Credit	7	257
6	Disputes on various tolls for which Company is contingently liable.	243	243
<b>(II) Commitments:</b>			
(a)	Estimated amount of contracts (Net of advances) remaining to be executed on capital and not provided for.	5,433	2,471
(b)	In respect of Capital goods imported at the concessional rate of duty under the Export Promotion Capital goods scheme, the holding Company has approximate exports obligations which is required to be met at the different due dates before 31st March, 2028. In the event of non-fulfillment of these export obligation, the Company will be liable to pay customs duties and penalties, as applicable.	10,208	351

## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

### 50. 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 group’s performance and allocates resources based on an analysis of various indicators of business segment/s in which the group operates. The Group is primarily engaged in the business of textile manufacturing which the management and CODM recognise as the sole business segment. Hence disclosure of segment-wise information is not required and accordingly not provided.

The other applicable information applicable where there is only one segment as required in accordance with IND AS 108 – Operating Segments, are as under:

- (a) The group does not have the information in respect of the revenues from external customers for each product and service, or each group of similar products and services, and the cost to develop such system will be highly excessive. Accordingly such information is not disclosed as allowed by para 32 of IND AS 108.
- (b) Revenues

	(₹ in Lakhs)	
	2021-22	2020-21
Domestic	1,51,641	93,607
Export	92,135	42,290
<b>TOTAL</b>	<b>2,43,776</b>	<b>1,35,897</b>

Revenues from external customers attributed to an individual foreign country are not material. The revenue from the foreign countries are attributed from the countries wherein the actual exports are made.

There are no assets in foreign countries held by the Group except the amounts due from the exports.

- (c) The group does not have any major single customers / group of external customer having 10% of its revenue.

### 51. EMPLOYEE BENEFITS

The Group contributes to the following post-employment defined benefit plans in India.

#### (i) Defined Contribution Plans:

The Group makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

Particulars	(₹ in Lakhs)	
	For the year ended	
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Contribution to government Provident Fund	982	677

#### (ii) Defined Benefit Plan:

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liability is being contributed to the gratuity fund formed by the Group. Group makes contributions to Group Gratuity Schemes administered by the LIC of India.



## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

### Other long term employee benefit plans

#### Compensated absences

Every employee is entitled to paid leave as per the Group'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 Group 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<sup>st</sup> March, 2022. 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 Group's financial statements as at balance sheet date:

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Leave encashment	
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Net defined benefit (liability) / asset	1,796	1,574	103	122
Non-current	-	-	-	-
Current	1,796	1,574	103	122

**Notes to Consolidated Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)**
**B. Movement in net defined benefit (asset) liability**

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	Gratuity (Funded)						Leave Encashment (Funded)					
	31 <sup>st</sup> March, 2022			31 <sup>st</sup> March, 2021			31 <sup>st</sup> March, 2022			31 <sup>st</sup> March, 2021		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 <sup>st</sup> April, 2021	2,094	520	1,574	2,205	683	1,522	442	320	122	531	301	230
<b>Included in profit or loss</b>												
Current service cost	450	-	450	487	-	487	197	-	197	215	-	215
Interest cost (income)	135	-	135	139	-	139	30	-	30	34	-	34
	<b>585</b>	<b>-</b>	<b>585</b>	<b>626</b>	<b>-</b>	<b>626</b>	<b>227</b>	<b>-</b>	<b>227</b>	<b>249</b>	<b>-</b>	<b>249</b>
<b>Included in OCI</b>												
Remeasurements loss (gain)												
- Actuarial loss (gain) arising from:	-	-	-	-	-	-	-	-	-	-	-	-
- demographic assumptions	-	-	-	-	-	-	-	-	-	-	-	-
- financial assumptions	(74)	-	(74)	2	-	2	(15)	-	(15)	1	-	1
- experience adjustment	(93)	-	(93)	(408)	-	(408)	(210)	-	(210)	(274)	-	(274)
- on plan assets	(167)	(2)	(165)	(406)	(5)	(401)	(225)	(1)	(224)	(273)	(1)	(272)
<b>Other</b>												
Contributions paid by the employer	-	165	(165)	-	133	(133)	-	-	-	-	65	(65)
Benefits paid	(229)	(229)	-	(331)	(331)	-	-	-	-	(65)	(65)	-
Expected Return on Plan Assets	-	33	(33)	-	40	(40)	-	22	(22)	-	20	(20)
	<b>(229)</b>	<b>(31)</b>	<b>(198)</b>	<b>(331)</b>	<b>(158)</b>	<b>(173)</b>	<b>-</b>	<b>22</b>	<b>(22)</b>	<b>(65)</b>	<b>20</b>	<b>(85)</b>
Balance as at 31 <sup>st</sup> March, 2022	2,283	487	1,796	2,094	520	1,574	444	341	103	442	320	122

(₹ in Lakhs)

## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

### C. Plan assets

	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Fund managed by insurer	100%	100%
	100%	100%

### D. Actuarial assumptions

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

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Discount rate	7.10%	6.79%
Expected rate of future salary increase	5.50%	5.50%
Mortality	100% of IALM (2012 - 14) Ult.	

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

### E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in Lakhs)

Particulars	Gratuity				Leave Encashment			
	31 <sup>st</sup> March, 2022		31 <sup>st</sup> March, 2021		31 <sup>st</sup> March, 2022		31 <sup>st</sup> March, 2021	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	2,056	2,517	1,885	2,347	395	489	401	494
Expected rate of future salary increase (1% movement)	2,516	2,054	2,345	1,883	489	395	493	401

Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

### F. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follow -

- A) **Salary Increases-** Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B) **Investment Risk** – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C) **Discount Rate:** Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) **Mortality & disability** – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) **Withdrawals** – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.



Notes to Consolidated Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

**G. Expected maturity analysis of the undiscounted gratuity benefits is as follows**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Duration of defined benefit payments</b>		
Less than 1 year	351	124
Between 1-2 years	79	262
Between 2-5 years	373	286
Over 5 years	785	728
<b>Total</b>	<b>1,588</b>	<b>1,400</b>

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 18.46 years  
(31<sup>st</sup> March, 2021 : 17.91 to 18.49 years)

**52. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT**

**I. Fair value measurements Hierarchy**

(₹ in Lakhs)

Particulars	31 <sup>st</sup> March, 2022				31 <sup>st</sup> March, 2021			
	Carrying Amount	Level 1	Level 2	Level 3	Carrying Amount	Level 1	Level 2	Level 3
<b>Financial Assets</b>								
<b>At Amortised Cost</b>								
Investments	79	-	-	-	4	-	-	-
Other Non-Current Financial Assets	2,616	-	-	-	989	-	-	-
Trade Receivables	37,643	-	-	-	28,001	-	-	-
Cash and Cash Equivalents	113	-	-	-	19	-	-	-
Bank Balances other than above	2,117	-	-	-	991	-	-	-
Other Current Financial Assets	6,091	-	-	-	5,521	-	-	-
	<b>48,659</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,525</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>								
<b>At Amortised Cost</b>								
Borrowings - Non Current	18,055	-	-	-	20,437	-	-	-
Lease Liabilities - Non Current	219	-	-	-	-	-	-	-
Lease Liabilities - Current	143	-	-	-	-	-	-	-
Borrowings - Currents	57,984	-	-	-	38,513	-	-	-
Trade Payables	13,373	-	-	-	11,608	-	-	-
Other Current Financial Liabilities	13,158	-	-	-	7,295	-	-	-
<b>At Fair Value through P&amp;L</b>								
Other Current Financial Liabilities	19	-	19	-	112	-	112	-
<b>At Fair Value through OCI</b>								
Other Current Financial Liabilities	13	-	13	-	39	-	39	-
	<b>1,02,964</b>	<b>-</b>	<b>32</b>	<b>-</b>	<b>78,004</b>	<b>-</b>	<b>151</b>	<b>-</b>

## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

### II. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

#### i. Risk management framework

The board of directors has overall responsibility for the establishment and oversight of the Group'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 Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

#### ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. The Group monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

#### Trade and other receivables

The Group'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 Group Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank references.

## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

The Group 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 Group'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 ₹ 37926 Lakhs (31<sup>st</sup> March, 2021 – ₹ 28284 Lakhs).

A default on a financial asset is when counterparty fails to make payments within 60 days when it falls due.

### Reconciliation of Loss Allowance Provision – Trade Receivables

(₹ in Lakhs)

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Opening Balances	283	281
Impairment Loss Recognised	2,180	863
Amount written back	2,180	861
<b>Closing balance</b>	<b>283</b>	<b>283</b>

### iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group'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 Group's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position comprising the undrawn borrowing facilities and cash and cash equivalents on the basis of expected cash flows. This is generally carried out in accordance with practice and limits set by the Group. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

#### (a) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Particulars	Carrying Amounts		Contractual cash flows		
	31 <sup>st</sup> March, 2022	Total	Within 1 Year	1–5 years	More than 5 years
<b>Non-derivative financial liabilities</b>					
Borrowings - Non Current	18,055	18,055	-	15,465	2,590
Lease Liabilities - Non Current	219	219	-	219	-
Lease Liabilities - Current	143	143	143	-	-
Borrowings - Currents	57,984	57,984	57,984	-	-
Trade payables	13,373	13,373	13,373	-	-
Other current financial liabilities	13,190	13,190	13,190	-	-
<b>Total non-derivative liabilities</b>	<b>1,02,964</b>	<b>1,02,964</b>	<b>84,690</b>	<b>15,684</b>	<b>2,590</b>
<b>Derivatives (net settled)</b>					
Foreign exchange forward contracts	32	32	32	-	-
<b>Total derivative liabilities</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>-</b>	<b>-</b>

Notes to Consolidated Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

(₹ in Lakhs)

Particulars	Carrying Amounts		Contractual cash flows		
	31 <sup>st</sup> March, 2021	Total	Within 1 Year	1–5 years	More than 5 years
<b>Non-derivative financial liabilities</b>					
Borrowings - Non Current	20,437	20,437	-	19,689	748
Borrowings - Current	38,513	38,513	38,513	-	-
Trade payables	11,608	11,608	11,608	-	-
Other current financial liabilities	7,446	7,446	7,446	-	-
<b>Total non-derivative liabilities</b>	<b>78,004</b>	<b>78,004</b>	<b>57,567</b>	<b>19,689</b>	<b>748</b>
<b>Derivatives (net settled)</b>					
Foreign exchange forward contracts	151	151	151	-	-
<b>Total derivative liabilities</b>	<b>151</b>	<b>151</b>	<b>151</b>	<b>-</b>	<b>-</b>

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

iv. **Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Group'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 Group 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 group 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 group'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 Group's foreign currency payables have not been hedged using forward contracts.

**Exposure to currency risk**

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	USD	EUR	USD	EUR
<b>Financial Instruments</b>				
Trade receivables	225	(3)	111	(2)
Trade payables	(2)	(2)	-	(4)
Borrowings	(266)	(30)	(88)	(7)
Derivatives - Forward Contracts	(250)	-	(270)	-
<b>Net statement of financial position exposure</b>	<b>(293)</b>	<b>(36)</b>	<b>(247)</b>	<b>(13)</b>

## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the ₹ against all currencies at 31<sup>st</sup> March, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit or loss	
	Strengthening	Weakening
<b>31<sup>st</sup> March, 2022</b>		
USD (1% movement)	(222)	222
EUR (1% movement)	(30)	30
<b>31<sup>st</sup> March, 2021</b>		
USD (1% movement)	(180)	180
EUR (1% movement)	(12)	12

### Interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk.

Currently the Group's borrowings are within acceptable risk levels, as determined by the management, hence the Group has not taken any swaps to hedge the interest rate risk.

### Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

	Nominal Amount	
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Fixed-rate instruments</b>		
Financial assets	-	600
Financial liabilities	606	657
	<b>606</b>	<b>1,257</b>
<b>Variable-rate instruments</b>		
Financial assets	-	-
Financial liabilities	23,628	27,348
	<b>23,628</b>	<b>27,348</b>

### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss	
	100 bp increase	100 bp decrease
<b>31<sup>st</sup> March, 2022</b>		
Variable-rate instruments	(236)	236
<b>Cash flow sensitivity</b>	<b>(236)</b>	<b>236</b>
<b>31<sup>st</sup> March, 2021</b>		
Variable-rate instruments	(273)	273
<b>Cash flow sensitivity</b>	<b>(273)</b>	<b>273</b>

### Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

### Hedge Accounting

The Group's business objective includes safe-guarding its earnings against foreign exchange fluctuations. The Group has adopted a structured risk management policy to hedge all these risks within an acceptable risk limit and an approved hedge accounting framework which allows for Fair Value hedges and Cash Flow hedges. Hedging instruments include forwards contracts to achieve this objective. The table below shows the position of hedging instruments and hedged items as on the balance sheet date.

#### Disclosure of effect of Hedge Accounting:

##### (i) Fair Value Hedge

###### Hedging Instruments

(₹ in Lakhs)

Particulars	Nominal Value	Carrying Amount	Change in Fair Value	Hedge Maturity	Line Item in Balance Sheet
<b>Foreign Currency Risk</b>					
Forward Contracts	17,060	19	19	May, 2022 to November, 2022	Other Current Financial Liabilities

###### Hedged Items

(₹ in Lakhs)

Particulars	Carrying Amount	Change in Fair Value	Line Item in Balance Sheet
Foreign Currency Risk			
Trade Receivables	17,060	291	Financial Assets - Trade Receivables

##### (ii) Cash Flow Hedge

During the year ended 31<sup>st</sup> March, 2022, the Group has designated certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedge reserve as at 31<sup>st</sup> March, 2022 are expected to occur and reclassified to Statement of Profit and Loss within three months.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of its forecasted cash flows. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in the Statement of Profit and Loss at the time of the hedge relationship rebalancing.

**Notes to Consolidated Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)**
**Cash Flow Hedge**
**Hedging Instruments**

(₹ in Lakhs)

Particulars	Nominal Value	Carrying Amount	Change in Fair Value	Hedge Maturity	Line Item in Balance Sheet
<b>Foreign Currency Risk</b>					
Forward Contracts	1,895	13	13	May, 2022 to November, 2022	Other Current Financial Liabilities

**Hedged Items**

(₹ in Lakhs)

Particulars	Carrying Amount	Change in Fair Value	Line Item in Balance Sheet
Foreign Currency Risk Highly Probable Forecasted Exports	1,895	-	-

 The reconciliation of cash flow hedge reserve for the years ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 is as follows:

(₹ in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2022	Year Ended 31 <sup>st</sup> March, 2021
Balance at the beginning of the year	38	(323)
Gain / (Loss) recognised in other comprehensive income during the year	(25)	361
Amount reclassified to profit and loss during the year	-	-
<b>Balance at the end of the year</b>	<b>13</b>	<b>38</b>

**53. RATIO ANALYSIS**

S. No	Ratio		Basis	FY 22	FY 21	% Change	Reason For Variance
1	Current ratio	Times	Current assets / Current liabilities	1.20	1.32	(9%)	
2	Debt-Equity ratio	Times	Total Debt / Equity	1.06	1.07	0%	
3	Debt service coverage ratio	Times	Earnings for debt service*/ Debt Service	2.78	1.06	163%	Refer note i) below
4	Return on equity ratio	%	Profit after tax / Shareholders' Equity	22.18%	0.78%	2745%	Refer note ii) below
5	Inventory turnover ratio	Times	Cost of Goods Sold** / Average inventory	3.81	2.67	43%	Refer note iii) below
6	Trade receivables turnover ratio	Times	Revenue from operations / Average trade receivable	7.43	4.65	60%	Refer note iv) below
7	Trade payables turnover ratio	Times	Cost of Goods Sold** / Average trade payables	13.78	8.60	60%	Refer note v) below
8	Net capital turnover ratio	Times	Revenue from operations / Working capital\$	13.56	7.13	90%	Refer note vi) below
9	Net profit ratio	%	Net Profit/(Loss) after tax / Revenue from operations	5.77%	0.31%	1764%	Refer note vii) below
10	Return on capital employed	%	"Earnings Before Interest and tax# / Capital Employed@"	15.31%	4.31%	255%	Refer note viii) below
11	Return on investment	%	PAT/Total Assets	7.71%	0.30%	2482%	Refer note ix) below



## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

\*\* 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

- i) **Debt Service Coverage Ratio (times):** Increase in the ratio is mainly on account of increase in EBIDTA margin in current year 2021-22, as compared to previous year.
- ii) **Return on Equity (%):** Return on equity has been increased mainly because of Increase in profits during the current year as compared with last year.
- iii) **Inventory Turnover ratio (times):** Inventory turnover ratio has improved is mainly due to normal production cycle and sales cycle in the current year which in the previous year was affected due to the COVID-19 pandemic.
- iv) **Trade Receivables turnover ratio (times):** Improvement in debtors turnover ratio is mainly due to, increase in sales in current year as compared to previous year, where sales were affected due to Covid-19 restrictions. Further, average debtors collection period has improved in current year, as compared to previous year.
- v) **Trade Payables Turnover (times):** Improvement in creditors turnover ratio is mainly due to increase in purchases (on account of increased demand and sales) & reduction in average payment period in current year as compared to previous year.
- vi) **Net Capital Turnover (times):** Increase is on account of the significant increase in sales during the current year as compared to last year, where sales were affected on account of Covid-19 pandemic.
- vii) **Net Profit Ratio (%):** Net profit ratio has been increased mainly because of increase in profitability of the Company as compared to last year.
- viii) **Return on Capital employed (%):** Increase in Capital employed is mainly because of Increase in profit due to Increase in Turnover as compared with last year.
- ix) **Return on Investment (%):** Increase in Return on capital employed is mainly because Increase in profit is higher as compared to Increase in total assets during the year.

### **54. (a) SCHEME OF AMALGAMATION**

The Board of Directors of the Holding Company on its meeting held on 14<sup>th</sup> September, 2020 had approved the scheme of amalgamation between the Company and the Sangam Lifestyle Ventures Limited (SLVL) (amalgamating Company) (Wholly Owned Subsidiary Company).

During the year, the Jaipur bench of NCLT vide its order dated 11<sup>th</sup> March, 2022 has approved the Scheme of Amalgamation between Sangam India Limited (SIL) and Sangam Lifestyle Ventures Limited ('SLVL'), a wholly own subsidiary of SIL with effect from 1<sup>st</sup> April, 2020, being Appointed date.

Accordingly the Company has accounted the scheme of arrangement as per Pooling of Interest method in accordance with Appendix C of Ind AS 103 Business Combination. Pursuant to which all assets and Liabilities pertaining to the amalgamating Company as defined in the arrangement have been transferred to the amalgamated Company without any consideration and investment in the equity shares of SLVL has been cancelled.



Notes to Consolidated Financial Statements  
For the year ended 31<sup>st</sup> March, 2022 (Contd.)

Calculation in accordance with Ind AS 103.

(₹ in Lakhs)

Particulars		
Investments in Subsidiary		5
<b>Less:- Carrying amount of Assets and Liabilities Assumed.</b>		
<b>Total Assets</b>		
Property, Plant & Equipment	15	
Intangible Assets	10	
Other Financial Assets	2	
Deferred Tax Assets (Net)	207	
Inventories	481	
Stock reserve on inventories	59	
Trade Receivables	523	
Cash and Cash equivalents	2	
Other Current Financial Assets	0	
Other Current Assets	75	
	<b>1,374</b>	
<b>Total Liabilities</b>		
Trade Payable -Others	(1,810)	
Other Financial Liabilities	(114)	
Other Current Liabilities	(25)	
Provisions	(17)	
	<b>(1,966)</b>	<b>(592)</b>
<b>Other Equity</b>		<b>597</b>

**54. (b) SCHEME OF AMALGAMATION**

The Net Loss after tax of erstwhile amalgamating Company for the period 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021 amounting to ₹ 71 Lakhs comprised of:-

(₹ in Lakhs)

<b>INCOME :</b>	<b>2020-21</b>
Sale of Services	1,046
Other Income	-
<b>Total Revenue</b>	<b>1,046</b>
<b>EXPENDITURE :</b>	
Cost of Materials Consumed	646
Employee Benefits Expenses	145
Finance Costs	17
Depreciation and Amortisation Expense	6
Other Expenses	332
<b>Total Expenses</b>	<b>1,146</b>
<b>Losses before tax</b>	<b>(100)</b>
<b>Tax Expenses</b>	
Current Tax	-
Deferred Tax	(28)
<b>Total Tax Expenses</b>	<b>(28)</b>



## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

(₹ in Lakhs)

<b>INCOME :</b>	<b>2020-21</b>
<b>Profit/ (Loss) for the year</b>	<b>(72)</b>
<b>Other Comprehensive Income</b>	
<b>Items that will not be reclassified to profit or loss</b>	
Remeasurement of defined benefit plans	<b>2</b>
Tax relating to remeasurement of defined benefit plans	<b>(1)</b>
<b>Total Other Comprehensive Income/ (Loss) for the period</b>	<b>1</b>
<b>Net Losses after tax of erstwhile amalgamating companies</b>	<b>(71)</b>

### 55. DISCLOSURE UNDER IND AS 116 "LEASES"

Consolidated Balance Sheet as at 31<sup>st</sup> March, 2022

The Holding Company has lease contract for building used in its operations. Lease of Building have lease terms 3 years .

#### Amount recognised in Statement of profit or loss

(₹ in Lakhs)

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2022</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>
Depreciation of right-of-use assets	100	-
Interest Income on Security Deposit	51	-
Interest Expenses on lease liabilities	19	-

#### Maturity Pattern of lease liability

Finance Lease discounted

(₹ in Lakhs)

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2022</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>
Less than 1 years	143	-
1-3 years	219	-
<b>Total</b>	<b>362</b>	

#### Movement of Lease Liability

(₹ in Lakhs)

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2022</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>
<b>As at 1<sup>st</sup> April, 2021</b>	-	-
Additions	449	-
Accretion of Interest	19	-
Payment	106	-
<b>As at 31<sup>st</sup> March, 2022</b>	<b>362</b>	-
Current Lease Liability	143	-
Non Current Lease Liability	219	-

#### Movement of Security Deposit

(₹ in Lakhs)

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2022</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>
<b>As at 1<sup>st</sup> April, 2021</b>	-	-
Additions	1,700	-
Accretion of Interest	51	-
Payment	-	-
<b>As at 31<sup>st</sup> March, 2022</b>	<b>1,751</b>	-
Deferred Rent	186	-

## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

### **56. ADDITIONAL REGULATORY REQUIREMENTS AS REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013**

- i) Title deeds of all immovable properties are held on the name of the Group.
- ii) The Group has not revalued any Property, Plant and Equipments and Intangible Assets during the year.
- iii) The Group 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.
- iv) 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.
- v) The group is not declared a wilful defaulter by any bank or financial Institution or other lender.
- vi) 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 Group during the year and there are no outstanding balance as on 31<sup>st</sup> March, 2022 with any struck off companies
- vii) There are no charges or satisfactions of charges which are yet to be registered with Registrar of Companies beyond the statutory period.
- viii) There is no investment made by the Group 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.
- ix) The Group has complied with the Scheme of Arrangements approved by the competent authority in terms of section 230 to 237 of the Companies Act, 2013 during the year and accordingly has disclosed the effect of such arrangement in accordance with the Scheme and in accordance with the accounting standads as applicable.
- X) The Group 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.
- xi) The Group has not received any fund from any person or entities, including foreign entities (Funding Party) with the understanding that the group 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.
- xii) The Group 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 Group
- xiii) Working Capital loan were applied for the purpose for which the loans were obtained
- xiv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year
- xv) The Company has taken working capital loans from various Banks .Company has filed quarterly statements of Current Assets with the banks that are in principle in agreement with the books of accounts.



## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

### 57. GENERAL INFORMATION

- 1 The consolidated Financial Statement present the consolidated Accounts of Sangam (India) Limited with its subsidiary company.

Name	Country of Incorporation	Proportion of Ownership of Interest	
		31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Sangam Ventures Limited	India	100%	NIL

- 2 Disclosure mandated by Schedule III of the Company Act 2013, by way of additional information:

Name of the Entities	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit / (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	Amount (₹ in Lakhs)	As a % of Consolidated Profit	Amount (₹ in Lakhs)	As a % of Consolidated Other Comprehensive Income	Amount (₹ in Lakhs)	As a % of Consolidated Total Comprehensive Income	Amount (₹ in Lakhs)
Parent: Sangam (India) Limited	100.04%	71,621	100.20%	14,022	100%	104	100.20%	14126
Subsidiary : Sangam Ventures Limited	1.04%	742	(0.20%)	(28)	-	-	(0.20%)	(28)
Sub Total		72,363		13,994		104		14,098
Inter - Company Elimination & Consolidated Adjustment	(1.08%)	(770)	-	-	-	-	-	-
<b>Grand Total</b>	<b>100.00%</b>	<b>71,593</b>	<b>100.00%</b>	<b>13,994</b>	<b>100.00%</b>	<b>104</b>	<b>100.00%</b>	<b>14,098</b>

3. Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understand the consolidated position of the companies. Recognising this purpose, the company as disclosed only such Policies and Notes from the individual financial statements, which fairly present the needed disclosures.

### SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY AS PER COMPANIES ACT, 2013

S. No	Name of Subsidiary Company	Sangam Ventures Limited
1	The date since which Subsidiary was incorporated and acquired	3-Dec-21
2	Reporting Currency	INR
3	Equity Share Capital	770
4	Other Equity	(28)
5	Total Assets	1350
6	Total Liabilities	607
7	Investments	-
8	Revenue from Operations / Total Income	-
9	Loss Before Taxation	(28)
10	Provision for Taxation	-
11	Loss After Taxation	(28)
12	Other Comprehensive Income	-
13	Total Comprehensive Income	(28)
14	% of Shareholdong	100%

₹ in Lakhs

## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

### 58. CORPORATE SOCIAL RESPONSIBILITY

- a) Total expenditure incurred on Corporate Social Responsibility (CSR) activities during the year ended 31<sup>st</sup> March, 2022 is ₹ 89.49 Lakhs (during the year ended 31<sup>st</sup> March, 2021 is ₹ 96.66 Lakhs). This includes ₹ Nil Lakhs towards provision for upspent amount pertaining to ongoing projects (during the 31<sup>st</sup> March, 2021 is ₹ Nil Lakhs).

(₹ in Lakhs)

Particulars	For the year ended	
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
a) Amount required to be spent during the year	33	40
b) Amount of expenditure incurred on purpose other than construction/acquisition of any asset	89	97
c) Excess spend of prior year set off during the year	-	-
d) Shortfall at the end of the year [(d)=(a)-(b)-(c)]	-	-
e) Total of previous year shortfall	-	-
f) Reason for shortfall	NA	NA

The CSR amount of ₹ 56.32 Lakhs carry forward in next year.

### Expenditure related to Corporate Social Responsibility ;

(₹ in Lakhs)

Particulars	As at	As at
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Environmental Sustainability	10	7
Promoting Education	22	1
Promoting Health Care	37	45
Rural Development	5	
Promoting gender equality, empowering women	3	
Promoting Sports	1	
Protection of National Heritage		21
Eradition Hunger, Poverty and Malnutrition	11	23
<b>Total</b>	<b>89</b>	<b>97</b>

- b) Out of above ₹ 28.50 Lakhs (Previous Year ₹ 7 Lakhs) has been spent through M/s Badri Lal Soni Charitable Trust and ₹ 10.54 Lakhs (Previous year ₹ 56 Lakhs) spent through M/s Kesar Bai Soni Charitable Trust, which are related parties.

### 59. CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.



## Notes to Consolidated Financial Statements For the year ended 31<sup>st</sup> March, 2022 (Contd.)

### 60. APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved for issue by the Board of Directors on 30<sup>th</sup> May, 2022

The Board of holding Company has recommended a dividend @20 % on equity share, subject to approval from the shareholders at the ensuing AGM.

### 61. PREVIOUS YEAR'S FIGURES

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

#### As per our Report of even date

##### For Rajendra & Co.

Chartered Accountants  
(Firm Registration No 108355W)

##### (Akshay R. Shah)

Partner  
Membership No.103316

Place: Mumbai

Date: 30<sup>th</sup> May, 2022

##### For O. P. Dad & Co.

Chartered Accountants  
(Firm Registration No 002330C)

##### (O. P. Dad)

Partner  
Membership No. 035373

Place: Bhilwara

Date: 30<sup>th</sup> May, 2022

#### For and on the Behalf of the Board

##### (R.P. Soni)

Chairman  
(DIN 00401439)

##### (Dr. S. N. Modani)

Managing Director & CEO  
(DIN 00401498)

##### (Anurag Soni)

Director & CFO  
(DIN 03407094)

##### (V. K. Sodani)

Executive Director  
(DIN 00403740)

##### (A. K. Jain)

Company Secretary  
(M No: F-7842)"

# Corporate Information

## AUDITORS

**Rajendra & Co.** Mumbai  
**O.P. Dad & Co.** Bhilwara

## BANKERS

State Bank of India  
Punjab National Bank  
IDBI Bank Ltd.  
Central Bank of India  
Export-Import Bank of India  
UCO Bank

## REGISTERED OFFICE

ATUN, Chittorgarh Road,  
Bhilwara - 311001, Rajasthan, INDIA.  
Tel No.: +91-1482-245400-406  
Fax No.: +91-1482-245450  
e-mail: [secretarial@sangamgroup.com](mailto:secretarial@sangamgroup.com)

## PRINCIPAL & HEAD OFFICE

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

## PLANT LOCATIONS

### Spinning Unit-I

Village Biliya Kalan, Chittorgarh Road, Bhilwara – 311001, Rajasthan

### Spinning Unit-II

91, Km Stone, N.H No. 79, Village Sareri, Bhilwara – 311024, Rajasthan

### Spinning Unit-III

N.H. 79, Village Soniyana, Tehsil: Gangrar – 312901, Chittorgarh

### Weaving, Processing & Garment Unit

Village ATUN, Chittorgarh Road, Bhilwara – 311001, Rajasthan

### Denim Unit

Village Biliya Kalan, Chittorgarh Road, Bhilwara – 311001, Rajasthan



[www.sangamgroup.com](http://www.sangamgroup.com)

If undelivered, please return to:

**Sangam (India) Limited**

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Bhilwara - 311001, Rajasthan, India