

**Independent Auditor's Report**

To,  
The Shareholders of  
**SANGAM LIFESTYLE VENTURES LIMITED**  
Bhilwara

**Report on the Financial Statements**

We have audited the accompanying financial statements of **SANGAM LIFESTYLE VENTURES LIMITED** ("the company") which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and Cash Flow Statement for the Period (14<sup>th</sup> June 2016 to 31<sup>st</sup> March 2017) ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The company Board of directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the Provisions of the Act for safeguarding 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 accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and the Rules made thereunder.

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

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

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



## Opinion

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

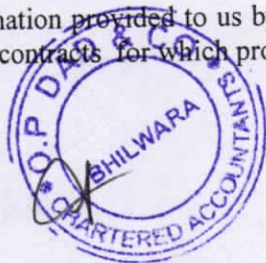
- (a) in the case of the **Balance Sheet**, of the state of affairs of the Company as at March 31, 2017;
- (b) in the case of **Statement of Profit and Loss**, of the loss for the period ended on that date; and
- (c) in the case of the **Cash Flow Statement**, of the cash flows for the period ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) 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 purpose of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account and records;
- (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable.
- (e) on the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) with respect to the other matters to be included in the auditor's report in accordance with Rule 11 of the Companies (Audit and auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) the company has disclosed the impact, if any, of pending litigations on its financial position in its financial statement in the contingent liability section to the extent it is ascertainable in the opinion of management;
  - (ii) as per the information provided to us by the management, the company has not entered in to long term contract including derivative contracts for which provisioning is required;



(iii) as the company has not declared any dividend & there is no unpaid dividend, so there is no requirement of transfer of amount in Investor Education & Protection fund. (IEPF);

(iv) the company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 & these are in accordance with the books of accounts maintained by the company.(Refer Note 14).

For: O. P. DAD & CO.  
Chartered Accountants  
(Firm Reg. No. 002330C)

*Abhishek*  
(ABHISHEK DAD)  
Partner  
M. No. 409237



Place: Bhilwara  
Dated: 24.05.2017

## ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

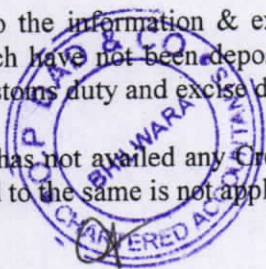
(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

On the basis of such checks of the books and records as we consider appropriate and as per the information and explanations given to us during the course of our audit, we further report that:-

- i.
- (A) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - (B) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodic 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.
  - (C) There are no immovable properties owned by the company, hence, this clause is not applicable.

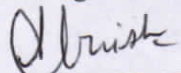
As explained to us, inventories have been physically verified during the year by the management at reasonable intervals on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

- iii. According to the information & explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Hence clause (iii) (a) & (b) is not applicable to the company as the company has not granted any such loans.
- iv. According to the information & explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loan to directors.
- v. The companies has not accepted any loans/deposits from public. In our opinion and according to the information and explanation given to us the provision of section 73 and 76 of the Companies Act, 2013 and the Rules framed there under, wherever applicable, are being complied with. No order has been passed by company law board against the company.
- vi. As per information and explanations given to us, the Central Government has not prescribed maintenance of the cost records under 148(1) of the Companies Act, 2013.
- vii.
- a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including TDS, income-tax, sales tax, value added tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.  
  
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
  - b. According to the information & explanations given to us and the records examined by us, there is no amount which have not been deposited on account of any dispute in respect of income tax, service tax, sales tax, customs duty and excise duty, VAT and cess,
- viii. The company has not availed any Credit from Bank/ Financial Institution or Debenture holders, hence , the opinion related to the same is not applicable.



- ix. According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- x. In our opinion and according to the information & explanations given to us, we report that no material fraud on or by the company has been noticed or reported during the year, nor have we been informed of such case by the management.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company hasnot paid / provided for managerial remuneration during the year.
- xii. In our opinion and according to the information and explanations give to us, the Company is not a Chit Fund / Nidhi / Mutual Benefit Fund / Society. Therefore, the provision of clause 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under sec. 45-IA of the Reserve Bank of India Act, 1934.

For: O. P. DAD & CO.  
Chartered Accountants  
(Firm Reg. No. 0023300)

  
(ABHISHEK DAD)  
Partner  
M. No. 409237



Place: Bhilwara  
Dated: 24.05.2017

**“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE  
STANDALONE FINANCIAL STATEMENTS OF SANGAM LIFESTYLE VENTURES LIMITED**

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

We have audited the internal financial controls over financial reporting of **Sangam Lifestyle Ventures Limited** (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the period ended on that date.

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

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

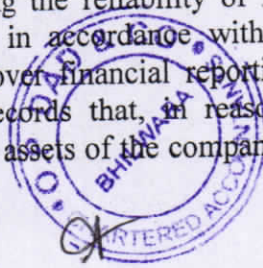
Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as



necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

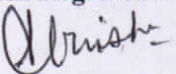
### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For: O. P. DAD & CO.  
Chartered Accountants  
(Firm Reg. No. 002330C)

  
(ABHISHEK DAD)  
Partner  
M. No. 409237



Place: Bhilwara  
Dated: 24.05.2017

**SANGAM LIFESTYLE VENTURES LIMITED**Balance Sheet as at 31<sup>st</sup> March, 2017

Amount in ₹

Particulars	Note	As at 31 <sup>st</sup> March 2017	
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>Shareholders' Funds</u></b>			
Share Capital	1	5,00,000	
Reserves and Surplus	2	<u>-63,10,015</u>	-58,10,015
<b><u>Non-Current Liabilities</u></b>			
Long Term Borrowings	3	<u>-</u>	
<b><u>Current Liabilities</u></b>			
Short Term Borrowings	4	-	
Trade Payables	5	3,60,40,117	
Other Current Liabilities	6	64,34,011	
Short Term Provisions	7	<u>54,965</u>	
			4,25,29,093
<b>TOTAL</b>			<b><u><u>3,67,19,078</u></u></b>
<b><u>ASSETS</u></b>			
<b><u>Non-Current Assets</u></b>			
Fixed Assets			
Tangible Assets	8	21,16,808	
Intangible Assets	8	4,82,411	
Capital Work-in-Progress	8	-	
Non-Current Investments	9	-	
Long Term Loans and Advances	10	4,75,000	
Deferred Tax Assets	11	<u>26,80,972</u>	
			57,55,191
<b><u>Current Assets</u></b>			
Inventories	12	2,34,94,991	
Trade Receivables	13	37,47,604	
Cash and Bank Balances	14	22,13,473	
Short Term Loans and Advances	15	15,07,819	
Other Current Assets	16	<u>-</u>	
			3,09,63,887
<b>TOTAL</b>			<b><u><u>3,67,19,078</u></u></b>
Significant Accounting Policies			
Notes on Financial Statements	1 to 34		

As per report of even date attached

For: O.P. DAD &amp; CO.

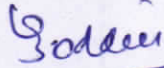
Chartered Accountants


(Registration No. 002330C)

For and on behalf of the Board

  
 (ABHISHEK DAD)  
 Partner  
 M.Ship No. 409237



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

  
 (Pranal Modani)  
 Director  
 (DIN 06894190)

Place : Bhilwara

Date : May 24, 2017



**SANGAM LIFESTYLE VENTURES LIMITED**

**Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2017**

Amount in ₹

	<u>Note</u>	<u>2016-17</u>
<b><u>INCOME</u></b>		
Revenue from Operations	17	84,26,485
Other Income	18	-
<b>Total Revenue</b>		<b><u>84,26,485</u></b>
<b><u>EXPENDITURE :</u></b>		
Purchases of Traded Goods	19	3,46,06,929
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	20	-2,34,94,991
Employee Benefits Expense	21	11,06,080
Finance Costs	22	17,664
Depreciation and Amortisation Expense	23	2,17,262
Other Expenses	24	49,64,528
<b>Total Expenses</b>		<b><u>1,74,17,472</u></b>
Profit Before Exceptional Item and Tax		-89,90,987
Exceptional Items		
Provision for Doubtful Debts/ Advances		
Profit Before Tax		-89,90,987
<b><u>Tax Expenses</u></b>		
Current Tax (Net of MAT Credit Entitlement)		
Deferred Tax		2,680,972
Tax Expense for Earlier Years		
<b>Profit for the year</b>		<b><u>-63,10,015</u></b>
Earnings per equity share of face value of ₹ 10 each		
Basic and Diluted (in ₹)		(126.20)

Significant Accounting Policies

Notes on Financial Statements

1 to 34

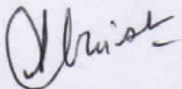
As per report of even date attached

For: O.P. DAD & CO.

Chartered Accountants

(Registration No. 002330C)

For and on behalf of the Board

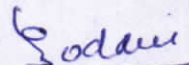


(ABHISHEK DAD)

Partner

M.Ship No. 409237

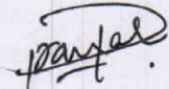




(V.K. Sodani)

Director

(DIN 00403740)



(Pranal Modani)

Director

(DIN 06894190)

Place : Bhilwara

Date: May 24, 2017

**Sangam Lifestyle Ventures Limited**

**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2017**

Amount in ₹  
As at  
31<sup>st</sup> March, 2017

**1 SHARE CAPITAL**

**Authorised Share Capital:**

10,00,000 Equity share of ₹ 10 each fully paid up

1,00,00,000

1,00,00,000

**Issued, Subscribed and Paid Up:**

50,000 Equity share of ₹ 10 each fully paid up

5,00,000

TOTAL

5,00,000

**1.1 The details of Shareholders' holding more than 5% shares:**

**Name of the Shareholder**

Sangam (India) Limited and its nominees

TOTAL

As at 31 <sup>st</sup> March, 2017	
No. of Shares	% held
50,000	100.00
<u>50,000</u>	<u>100.00</u>

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

**Particulars**

Equity Shares at the beginning of the year  
Add: Shares Issued During the year  
Equity Shares at the end of the year

-  
50,000  
50,000

**1.3 Rights, Preferences and Restrictions:**

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

**2 RESERVES & SURPLUS**

**General Reserve**

As per last Balance Sheet  
Add: Transferred from surplus  
Closing Balance

As at  
31<sup>st</sup> March, 2017

-

-

-

**Profit & Loss Account**

As per last Balance Sheet  
Add: Profit for the year  
Less: Appropriations  
Transferred to General Reserve  
Closing Balance

(6,310,015)

(6,310,015)

TOTAL

(6,310,015)



**Sangam Lifestyle Ventures Limited**

Amount in ₹  
As at  
31<sup>st</sup> March, 2017

**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2017**

**3 LONG TERM BORROWINGS**

(A) Secured

Term Loans From Banks  
TOTAL (A)

-  
-

(B) Unsecured

Term Loans From Banks  
TOTAL (B)

-  
-

TOTAL (A)+(B)

-

**4. SHORT TERM BORROWINGS**

As at  
31<sup>st</sup> March, 2017

Secured

Loans Repayable on Demand  
TOTAL

-  
-

**5. TRADE PAYABLES**

As at  
31<sup>st</sup> March, 2017

Dues to Micro, Small & Medium Enterprises (Refer Note No. 5.1)  
Dues to other than Micro, Small & Medium Enterprises #  
TOTAL

-  
3,60,40,117  
3,60,40,117

# Payable to holding company is ₹ 3,53,18,092 (Previous Year ₹ NIL)

**5.1 Dues to Micro, Small & Medium Enterprises:-**

The Company has not received any intimation from its suppliers being registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSME). Since the relevant information is not readily available, necessary disclosure required under MSME Act, 2006 can not be made. However, the company generally makes payment to its suppliers within agreed credit period and thus the management is confident that the liability of interest under this Act, if any, would not be material.

5.2 The balance outstanding with sundry creditors either debit or credit are subject to confirmation and reconciliation.

**6. OTHER CURRENT LIABILITIES**

As at  
31<sup>st</sup> March, 2017

Current maturities of long term debt  
Interest accrued but not due on borrowings  
Creditors for Capital Expenditure  
Security Deposit  
Advance from Customers  
Liability towards Staff and Workers  
Commission Payable on Sales  
Liabilities for Expenses  
Statutory Dues  
TOTAL

-  
-  
-  
19,184  
-  
1,49,332  
-  
61,79,601  
85,894  
64,34,011

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

6.1 Payable to holding company is ₹ 50,27,429 (Previous Year ₹ NIL)

**7. SHORT TERM PROVISIONS**

As at  
31<sup>st</sup> March, 2017

Provisions for Gratuity/Leave Encashment  
TOTAL

54,965  
54,965



SANGAM LIFESTYLE VENTURES LIMITED										
Note 8 : FIXED ASSETS										
Description	Gross Block					Depreciation		Net Block		
	As on 01/04/2016	Additions	Deductions	As on 31/03/2017	As on 01/04/2016	For the Year	Adjustments / Deduction	As on 31/03/2017	As on 31/03/2017	As on 31/03/2016
	Amount in ₹									
<b>(A) TANGIBLE ASSETS:</b>										
<b>OWN ASSETS:</b>										
Furniture & Fixture	-	22,80,000	-	22,80,000	-	1,63,192	-	1,63,192	21,16,808	-
<b>Total (A)</b>	-	<b>22,80,000</b>	-	<b>22,80,000</b>	-	<b>1,63,192</b>	-	<b>1,63,192</b>	<b>21,16,808</b>	-
Previous Year	-	-	-	-	-	-	-	-	-	-
<b>(B) INTANGIBLE ASSETS</b>										
Computer software	-	53,64,81	-	5,36,481	-	54,070	-	54,070	4,82,411	-
<b>Total (B)</b>	-	<b>53,64,81</b>	-	<b>5,36,481</b>	-	<b>54,070</b>	-	<b>54,070</b>	<b>4,82,411</b>	-
Previous Year	-	-	-	-	-	-	-	-	-	-
<b>Total (A)+(B)</b>	-	<b>28,16,481</b>	-	<b>28,16,481</b>	-	<b>2,17,262</b>	-	<b>2,17,262</b>	<b>25,99,219</b>	-
Total Previous Year	-	-	-	-	-	-	-	-	-	-
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-



**Sangam Lifestyle Ventures Limited**

Amount in ₹  
As at  
31<sup>st</sup> March, 2017

**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2017**

9. **NON-CURRENT INVESTMENTS**

Total

As at  
31<sup>st</sup> March, 2017

10. **DEFERRED TAX ASSETS (Net)**

A) **Deferred Tax Liability**  
Related to fixed assets  
TOTAL (A)

80,214  
80,214

B) **Deferred Tax Assets**  
Disallowance u/s 43B of Income Tax Act, 1961  
Preliminary Expenses Unclaimed  
Unabsorbed losses/ Depreciation  
Provision for Bad & Doubtful Debts  
TOTAL (B)

-  
6,180  
2,755,006  
-

27,61,186

C) **Deferred Tax Assets (Net) (A-B)**

2,680,972

11. **LONG TERM LOANS AND ADVANCES**

(Unsecured and Considered Good)  
Capital Advances - Others  
Security Deposit  
TOTAL

As at  
31<sup>st</sup> March, 2017

4,75,000

4,75,000

12. **INVENTORIES**

Finished Goods  
Traded Goods  
TOTAL

As at  
31<sup>st</sup> March, 2017

2,34,94,991

2,34,94,991

# Inventories have been valued at Cost or Net realisable value, whichever is lower.

13. **TRADE RECEIVABLES (Current)**

(Unsecured and Considered Good)  
Due over six months  
Considered Good  
Considered Doubtful  
Other Trade Receivables (Refer Note No. 13.1)  
  
Less: Provision for Doubtful Debts  
TOTAL

As at  
31<sup>st</sup> March, 2017

37,47,604

37,47,604

37,47,604

13.1 Included in the above Receivables due from Companies / Firms in which directors are interested is Nil

13.2 The balance outstanding with sundry debtors either debit or credit are subject to confirmation and reconciliation.



**Sangam Lifestyle Ventures Limited**

Amount in ₹  
As at  
31<sup>st</sup> March, 2017

**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2017**

14. **Cash and Cash Equivalents**

Balance with Banks	21,74,871
Cash on Hand	38,602
<b>TOTAL</b>	<b>22,13,473</b>

Disclosure as required under Notification no. G.S.R. 308(E) dated 30th March, 2017 as per the enclosed sheet:

(Amount in ₹)

	Specified Bank Notes (SBNs)	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	6000	4971	10971
(+) Permitted receipts	-	298479	298479
(-) Permitted payments	-	6500	6500
(-) Amount deposited in Banks	6000	262000	268000
Closing cash in hand as on 30.12.2016	-	34950	34950

15. **SHORT TERM LOANS AND ADVANCES**

(Unsecured and Considered Good)

VAT / TED Receivable

Security Deposits

**TOTAL**

As at  
31<sup>st</sup> March, 2017

15,07,819

**15,07,819**

16. **OTHER CURRENT ASSETS**

(Unsecured and Considered Good)

Interest Receivable - From Trade Debtors/ Others

**TOTAL**

As at  
31<sup>st</sup> March, 2017

-

**-**



**Sangam Lifestyle Ventures Limited**

**Notes on Financial Statements for the year ended 31st March, 2017**

Amount in ₹

**2016-17**

**17. REVENUE FROM OPERATIONS**

Sale of Products/ Intome from Services

84,26,485  
84,26,485

**17.1 PARTICULARS OF SALE OF PRODUCTS/SERVICES**

Particulars

Seamless Garments  
TOTAL

**2016-17**

84,26,485  
84,26,485

# Rebates, claims and discount etc on sales are accounted for and being provided for as and when settled with the parties.

**18. OTHER INCOME**

Interest

From Trade Debtors  
From Others

Other Non-Operating Income

Miscellaneous Receipts  
Profit on Sale of Fixed Assets (Net)  
TOTAL

**2016-17**

-  
-  
-  
-

**19. Purchases of Traded Goods**

Traded Goods – Seamless Garment

**2016-17**

3,46,06,929  
3,46,06,929

**20. CHANGES IN INVENTORIES OF FINISHED GOODS,  
STOCK-IN-PROCESS AND STOCK-IN-TRADE**

Inventories (at close)

Finished Goods  
Stock-in-Process

2,34,94,991  
-  
2,34,94,991

Inventories (at commencement)

Finished Goods  
Stock-in-Process

-  
-  
-

TOTAL

(23,494,991)

**21. EMPLOYEE BENEFITS EXPENSE**

Salaries and Wages  
Contribution to Provident and Other Funds  
Staff Welfare Expenses  
TOTAL

**2016-17**

10,87,470  
-  
18,610  
11,06,080

**22. FINANCE COSTS**

Interest Expenses  
Bank Charges  
TOTAL

**2016-17**

54  
17,610  
17,664



**Sangam Lifestyle Ventures Limited**

**Notes on Financial Statements for the year ended 31st March, 2017**

Amount in ₹

**23. DEPRECIATION AND AMORTISATION EXPENSE**

**2016-17**

Depreciation and Amortisation  
TOTAL

2,17,262  
2,17,262

**24. OTHER EXPENSES**

**2016-17**

**A. Administrative Expenses**

Rent  
Rates & Taxes  
Payments to Auditors : Statutory Audit Fees  
Insurance Premium  
Travelling & Conveyance  
Telephone & Postage  
Printing & Stationery  
Electricity Expenses  
Legal & Professional Fees  
Store Expenses  
Server Maintenance  
Miscellaneous Expenses  
Total (A)

1,00,000  
16,192  
29,500  
15,157  
54,800  
12,286  
33,659  
46,150  
59,177  
5,02,349  
2,22,000  
7,847  
10,99,117

**B. Selling and Distribution Expenses**

Sales Incentive, Commission & Brokerage  
Design & Development Expenses  
Freight, Octroi and Other Selling Expenses  
Total (B)

1,14,192  
22,49,100  
12,22,679  
35,85,971

**C. Other Expenses**

Preliminary Exp. W/Off  
Total (C)

2,79,440  
2,79,440

**Total (A+B+C)**

49,64,528

**25. EARNINGS PER SHARE (EPS)**

- i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders ₹ in Lakhs
- ii) Weighted Average number of equity shares used as denominator for calculating EPS
- iii) Basic and Diluted Earning per share (₹)
- iv) Face Value per equity share (₹)

(6,310,015)

50,000

(126.20)

10





**26. RELATED PARTY DISCLOSURES:****(i) Related Party Transactions**

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

Enterprises over which Directors and Relatives of such personnel exercise significant influence
<b>Holding Company</b>
Sangam (India) Limited

<b>Key Management Personnel</b>	
Shri V.K. Sodani	Director
Shri Anurag Soni	Director
Shri Pranal Modani	Director

**(ii) Transactions during the year with related parties:**

Amount in ₹

Nature of Transaction	Salary Exp.	Insurance Premium	Rent	Total
	2017	2017	2017	2017
Key Management Personnel	-	-	-	-
Relatives of Key Management Personnel	-	-	-	-
Others	-	-	-	-
Total	-	-	-	-

<b>Purchase / Job Charges</b>	<b>2017</b>
Holding Company	3,53,18,092

<b>Rent Paid</b>	<b>2017</b>
Holding Company	1,00,000



**NOTE-27-SANGAM LIFESTYLE VENTURES LIMITED** is a public limited company incorporated under Companies Act 2013, engaged in trading. The company was incorporated on 14<sup>th</sup> June 2016, hence the financial statement have been prepared from 14<sup>th</sup> June 2016 to 31<sup>st</sup> March 2017. The Company is a 100% subsidiary of M/s Sangam (India) Limited.

**NOTE 28 - CONTINGENT LIABILITIES**

There are no contingent liabilities as at the year end.

**NOTE 29 – EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)**

<b>Particulars</b>	<b>Current Year</b>
Travelling & Conveyance / Interest/ Professional Fee	Nil
<b>Total</b>	Nil

**NOTE 30- IMPORTED AND INDIGENEOUS RAW MATERIAL, COMPONENTS AND SPARE PARTS CONSUMED**

There are no imported and indigenous Raw material, Components and spare parts consumed during the year.

**NOTE 31- VALUE OF IMPORTS CALCULATED ON CIF BASIS**

No imports made during the year.

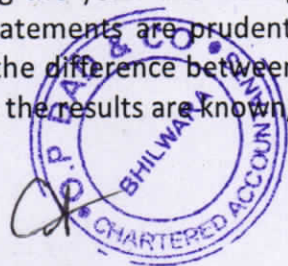
**NOTE 32 – SEGMENT REPORTING**

As the company's significant business activity falls within a single primary business segment viz. "Trading", the disclosure requirement of accounting Standard-17 "Segment reporting", issued by Institute of Chartered Accountants of India, is not applicable.

**NOTE 33 – SIGNIFICANT ACCOUNTING POLICIES**

**1. Method of Accounting**

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



## 2. Fixed Assets

Fixed assets are stated at cost, net of Cenvat/ VAT, if any, less accumulated depreciation. Cost includes freight, duties and other incidental expenses incurred till the commencement of commercial production. Incidental expenses include establishment expenses, interest on borrowed funds used for capital expenditure and other related direct costs attributable to the same.

## 3. Intangible Assets

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

## 4. Depreciation

Depreciation on Fixed Assets & intangible Assets has been provided based on useful lives prescribed in Schedule II of the Companies Act, 2013 on all assets. Depreciation on addition to fixed assets during the year is calculated on pro rata basis.

## 5. Revenue Recognition

All revenues, costs, assets and liabilities are accounted for on accrual basis except where there is no reasonable certainty. Sales are recognized, net of returns and trade discounts, on transfer of significant risk and rewards of ownership to the buyer, which generally coincide with the delivery of goods to the customers. Turnover is excluding Sales-tax.

## 6. Inventories

Inventories are valued as under.

Stock in trade : At Cost or Netrealizable value, whichever is lower.

## 7. Retirement Benefits

Since the company is having less than 10 employees, the retirement provisions such as Provident Funds, Gratuity etc are not applicable. Encashment of leave is accounted for on accrual basis.

## 8. Accounting for Taxes on Income

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

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



**9. Impairment of Assets (AS-28)**

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

**10. Provisions, Contingent Liabilities and Contingent Assets**

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

**11. Earning Per Share**

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

**12. Cash Flow Statement**

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

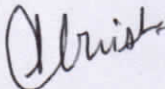
**13. Miscellaneous Expenditure**

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

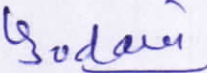
NOTE 34—This being the first year of company the comparative figure for previous year are not available.

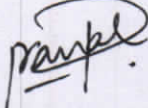
FOR & ON BEHALF OF BOARD

As per report of even date attached  
For O.P.DAD & CO.  
CHARTERED ACCOUNTANTS  
(Firm Reg. No. 002330C)

  
(ABHISHEK DADA)  
PARTNER  
(M.No. 409237)



  
(VINOD KUMAR SODANI)  
DIRECTOR  
(DIN NO. 00403740)

  
(PRANAL MODANI)  
DIRECTOR  
(DIN NO. 06894190)

PLACE: BHILWARA  
DATED: 24.05.2017

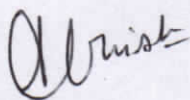
Cash Flow Statement For the Year ended 31st March,2017

Amount in ₹

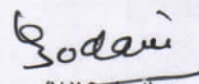
	Current Year
<b>A Cash Flow from Operating Activities</b>	
Net Profit Before Tax	-89,90,987
Adjustments for	
Depreciation and Amortisation Expense	2,17,262
Finance Costs	54
Interest Income	-
Foreign Exchange Fluctuation	-
Provision for Doubtful Debts & Advances	-
Profit on Sale of Fixed Assets (Net)	-
<b>Operating Profit before working capital changes</b>	<b>-87,73,671</b>
Adjustment for	
Inventories	-2,34,94,991
Trade & Other Receivables	-57,30,423
Trade & Other Payables	4,25,29,093
<b>Cash Generated from Operations</b>	<b>45,30,008</b>
Taxes Paid	-
<b>Net Cash Inflow / (Out Flow) from Operating Activities</b>	<b>45,30,008</b>
<b>B Cash Flow from Investing Activities</b>	
Purchase of Fixed Assets	-28,16,481
Sale of Fixed Assets	-
Interest Income	-
Sale of Investment	-
<b>Net Cash Inflow / (Outflow) from Investing Activities</b>	<b>-28,16,481</b>
<b>C Cash Flow from Financing Activities</b>	
Increase in share capital/application money/Security Premium	5,00,000
Proceeds from Long Term Borrowings	-
Repayment of Long Term Borrowings	-
Increased / Decreased in Short- Term Borrowings	-
Finance Costs	-54
Foreign Exchange Fluctuation	-
Interest Income	-
Dividend Paid (Including Tax on Dividend)	-
<b>Net Cash Inflow / (Out Flow) from Financing Activities</b>	<b>4,99,946</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash equivalents</b>	<b>22,13,473</b>
Cash and Cash Equivalents at the Beginning	
<b>Cash and Cash Equivalents at the End</b>	<b>22,13,473</b>

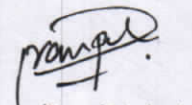
As per our report of even date  
For: O.P. DAD & CO.  
Chartered Accountants  
(Registration No. 002330C)

For and on behalf of the Board

  
(ABHISHEK DAD)  
Partner  
M.Ship No. 409237



  
(A.K.Sodani)  
Director  
(DIN 00403740)

  
(Pranal Modani)  
Director  
(DIN 06894190)

Place: Bhilwara  
Date: May 24,2017