

Independent Auditor's Report

To,
The Shareholders of
SANGAM LIFESTYLE VENTURES LIMITED
Bhilwara

Report on the standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **SANGAM LIFESTYLE VENTURES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive income), Statement of Cash Flow and the Statement of Changes in Equity for the year ended and a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "Ind AS 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 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 state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of matters

1. We draw attention to note no. 14 in the financial statements which indicates that the company has accumulated losses resulting in complete erosion of net worth. The company is incurring operating losses since commencement of business operations. Financial statements of the company are prepared on going concern basis. Preparation of financial statements of going concern basis of the company are based on the fact mentioned in note no. 34 that the company is presently fully funded by M/s Sangam India limited and the holding company is committed to infuse additional funds and continue to provide reasonable credit lines to the company. Further The Board of Directors of the holding Company (SIL) and wholly owned subsidiary company (SLVL) has approved the Scheme of Amalgamation of SLVL with SIL on dated 14th September, 2020 and 12th September, 2020 respectively, appointed date being 1st April, 2020. As per order dated 1st April, 2021, the Hon'ble National Company Law Tribunal ("NCLT"), Jaipur Bench, the NCLT convened Meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors of Sangam (India) Limited are scheduled to be held on Saturday, the 22nd May, 2021 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") for approve the scheme of Merger. Accounting effect of the merger will be given once Scheme is approved by the NCLT.



2. We invite attention to Note No. 36 to the financial statement regarding uncertainties associated with the COVID-19 pandemic and impact assessment made by the company on its business and financial statement for the year ended 31st March 2021, the said assessment made by the management is highly dependent upon how the circumstances evolve in subsequent periods.

Our opinion is not modified in respect of these matters

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

The Company's management and Board of Directors are 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 auditors' 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.

Management's Responsibility for the standalone Financial Statements

The Company's 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) referred to in section 133 of the Act.

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 the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

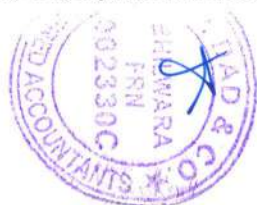
The Board of Directors are responsible for overseeing the Company's financial reporting process.

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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions *read with **Emphasis of matters** discussed as above* 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. Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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 auditor's 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- A) As required by section 143(3) of the Act, we report that:
- I. 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.
 - II. 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;
 - III. the balance sheet, the statement of profit and loss (including other comprehensive income), the cash flow statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - IV. in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
 - V. On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act; and



- VI. 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- B) 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 standalone IND AS financial position in its standalone Ind AS financial statements
- (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 in the past years & there is no unpaid dividend, so there is no requirement of transfer of amount in Investor Education & Protection fund (IEPF).
- C) With respect to the matter to be included in the Auditors' Report under section 197(16):

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

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



(Abhishek Dad)
Partner
M. No. 409237



Place: - Bhilwara
UDIN - 21409237AAAAEI4737
Date: 3rd May, 2021

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 as we considered appropriate and according to the information & explanation given to us during the course of our audit, we report that:

- i.
 - (a) The company has generally maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of available information.
 - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. 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) & (c) is not applicable to the company as the company has not granted any such loans.
- iv. In our opinion and according to the information and explanations given to us in respect of loans, investments, guarantees and security, the provisions of sections 185 and 186 of the Act have been complied with.
- v. The Company has not accepted any loans/deposits from public. In our opinion and according to the information and explanation given to us the provisions 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 the company is not engaged in the production of any product and is a trading concern, maintenance of the cost records under 148(1) of the Companies Act, 2013 is not applicable; accordingly paragraph 3(vi) of the Order is not applicable to the company.
- vii.
 - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, GST, Cess and other statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2021 for a period of more than six months from the date they have become payable.
 - b. According to the information & explanations given to us and the records examined by us, there is no amount which have not been deposited on account of any disputed amount payable in respect of income tax, GST, and excise duty, VAT and cess.



- viii. Based on our audit procedures and on the information & explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institutions, banks or debenture holders.
- 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 has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- 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 Order 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 Registration No. 002330C)



(Abhishek Dad)

Partner

Membership No. 409237



Place: Bhilwara

UDIN - 21409237AAAAEI4737

Date: 3rd May, 2021

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SANGAM LIFESTYLE VENTURES 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 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, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 Ind AS 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 Ind AS 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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



(Abhishek Dad)
Partner
Membership No. 409237



Place: Bhilwara
UDIN - 21409237AAAAEI4737
Date: 3rd May, 2021

SANGAM LIFESTYLE VENTURES LIMITED
Balance Sheet as at 31st March, 2021

Amount in ₹

Particulars	Note	As at 31 st March 2021	As at 31 st March 2020
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	3	12,66,995	14,92,445
Capital Work-in-Progress		-	-
Intangible Assets	4	6,23,170	9,88,543
Financial Assets			
(i) Other Financial Assets	5	-	1,80,000
Deferred Tax Assets (Net)	6	2,34,55,326	2,07,58,579
Other Non Current Assets		-	-
TOTAL NON-CURRENT ASSETS		2,53,45,491	2,34,19,567
CURRENT ASSETS			
Inventories	7	5,42,28,183	5,39,51,183
Financial Assets			
(i) Trade Receivables	8	2,51,85,725	5,23,21,798
(ii) Cash and Cash equivalents	9	3,50,373	1,59,747
(iii) Bank balances other than (ii) above		-	-
(iv) Other Current Financial Assets	10	1,55,350	18,750
Current Tax Assets (Net)	11	1,74,908	-
Other Current Assets	12	97,53,896	75,07,005
TOTAL CURRENT ASSETS		8,98,48,435	11,39,58,483
TOTAL ASSETS		11,51,93,926	13,73,78,050
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	5,00,000	5,00,000
Other Equity	14	(6,67,64,672)	(5,96,98,179)
TOTAL EQUITY		(6,62,64,672)	(5,91,98,179)
Current Liabilities			
Financial Liabilities			
(i) Trade Payables	15	-	6,38,621
(A) Total outstanding dues of micro enterprises and small enterprises		-	6,38,621
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		16,80,71,819	18,02,86,225
(ii) Other Financial Liabilities	16	1,04,72,207	1,14,18,132
Other Current Liabilities	17	7,06,145	24,83,391
Provisions	18	22,08,427	17,49,860
TOTAL CURRENT LIABILITIES		18,14,58,598	19,65,76,229
TOTAL EQUITY AND LIABILITIES		11,51,93,926	13,73,78,050

Significant Accounting Policies and Notes to Financial Statements 1 to 37

As per our report of even date


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



(Abhishek Dad)
Partner
Membership No. 409237



For and on behalf of the Board


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


(Pranal Modani)
Director
(DIN 06894190)

Place: Bhilwara
Date: 3rd May, 2021

SANGAM LIFESTYLE VENTURES LIMITED

Statement of Profit and Loss for the year ended 31st March, 2021

Particulars	Note	2020-21	2019-20
INCOME			
Revenue from Operations	19	10,46,02,735	14,57,31,566
Other Income	20	2,501	41,327
TOTAL INCOME		10,46,05,236	14,57,72,893
EXPENSES			
Purchases of Traded Goods	21	6,49,46,065	7,95,26,612
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	(3,63,524)	1,47,68,549
Employee Benefits Expense	23	1,45,29,073	2,40,31,536
Finance Costs	24	17,02,465	15,77,355
Depreciation and Amortisation Expense	25	5,90,822	5,38,498
Other Expenses	26	3,31,74,958	2,56,37,953
TOTAL EXPENSES		11,45,79,859	14,60,80,503
Profit/ (Loss) Before Exceptional Item and Tax		(99,74,623)	(3,07,610)
Exceptional Items		-	-
Profit/ (Loss) Before Tax		(99,74,623)	(3,07,610)
Tax Expenses			
Deferred Tax		(27,51,707)	(80,353)
Current Tax		-	-
Profit/ (Loss) for the year		(72,22,916)	(2,27,257)
Other Comprehensive Income	27		
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		2,11,382	2,71,180
Tax relating to remeasurement of defined benefit plans		(54,959)	(70,507)
Total Other Comprehensive Income/ (Loss) for the year		1,56,423	2,00,673
Total Comprehensive Income/ (Loss) for the year		(70,66,493)	(26,584)
Earnings per equity share of face value of ₹ 10 each	28		
Basic and Diluted (in ₹)		(144.46)	(4.55)
Significant Accounting Policies and Notes to Financial Statements	1 to 37		

As per our report of even date

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



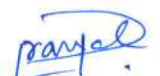
(Abhishek Dad)
Partner
Membership No. 409237



For and on behalf of the Board



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



(Pranal Modani)
Director
(DIN 06894190)

Place: Bhilwara
Date: 3rd May, 2021

SANGAM LIFESTYLE VENTURES LIMITED
Cash Flow Statement for the year ended 31st March 2021

Amount in ₹

	Current Year	Previous Year
A Cash Flow from Operating Activities		
Net Profit / (Loss) Before Tax	(99,74,623)	(3,07,610)
Adjustments for :-		
Depreciation and Amortisation Expense	5,90,822	5,38,498
Finance Costs	17,02,465	15,77,355
Other Comprehensive Income/ (Loss)	2,11,382	2,71,180
Operating Profit before working capital changes	(74,69,954)	20,79,423
Movements in Working Capital :-		
(Increase) / Decrease in Inventories	(2,77,000)	1,50,54,753
(Increase) / Decrease in Trade Receivables	2,50,69,182	(71,81,984)
(Increase) / Decrease in Other Financial Assets	(1,36,600)	(11,150)
Increase / (Decrease) in Trade Payables	(1,28,53,026)	(1,05,07,253)
Increase / (Decrease) in Other Financial Liabilities	(9,45,925)	21,22,858
Increase / (Decrease) in Provisions	4,58,567	3,78,145
Increase / (Decrease) in Other Liabilities	(17,77,246)	(3,27,425)
Cash Generated from Operations	20,67,999	16,07,367
Taxes Paid	1,74,908	-
Net Cash Inflow / (Out Flow) from Operating Activities	18,93,091	16,07,367
B Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipments	-	-
(Increase) / Decrease in CWIP	-	1,440
Net Cash Inflow / (Outflow) from Investing Activities	-	1,440
C Cash Flow from Financing Activities		
Increase in Share Capital/ Application Money/ Security Premium	-	-
Finance Costs	(17,02,465)	(15,77,355)
Net Cash Inflow / (Out Flow) from Financing Activities	(17,02,465)	(15,77,355)
Net Increase/ (Decrease) in Cash & Cash equivalents	1,90,626	31,452
Cash and Cash Equivalents at the Beginning	1,59,747	1,28,295
Cash and Cash Equivalents at the End	3,50,373	1,59,747

As per our report of even date

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



(Abhishek Dad)
Partner
Membership No. 409237



For and on behalf of the Board



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



(Pranal Modani)
Director
(DIN 06894190)

Place: Bhilwara
Date: 3rd May, 2021

SANGAM LIFESTYLE VENTURES LIMITED

Statement of Changes in Equity for the period ended 31st March, 2021

A Equity Share Capital

	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	50000	500000	50000	500000
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting year	50000	500000	50000	500000

B Other Equity

Particulars	Amount in ₹		
	Reserve and Surplus Retained Earning	Remeasurement of defined benefit plans	Total
Balance at 31 st March 2020	(5,99,30,570)	2,32,391	(5,96,98,179)
Profit/ (Loss) for the year	(72,22,916)	-	(72,22,916)
Other comprehensive income/ (loss) for the year	-	1,56,423	1,56,423
Total comprehensive income/ (loss) for the year	(72,22,916)	1,56,423	(70,66,493)
Balance at 31 st March 2021	(6,71,53,486)	3,88,814	(6,67,64,672)

The accompanying notes are an integral part of these financial statements

As per our report of even date

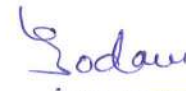

For: O.P. Dad & Co.
Chartered Accountants
(Firm Registration No. 002830C)



(Abhishek Dad)
Partner
Membership No. 409237



For and on behalf of the Board

(V.K.Sodani) (Pranal Modani)
Director Director
(DIN 00403740) (DIN 06894190)

Place: Bhilwara
Date: 3rd May, 2021

SANGAM LIFESTYLE VENTURES LIMITED, BHILWARA

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31st MARCH 2021**

1. GENERAL INFORMATION:

Sangam Lifestyle Ventures Limited ("the Company") is a public limited company domiciled in India and was incorporated on 14th June 2016, the financial statement pertains for the period 01.04.2020 to 31.03.2021 and corresponding comparative preceding financial year statements pertains for the period 01.04.2019 to 31.03.2020. It is 100% subsidiary company of M/s Sangam (India) Limited. The registered office of the Company is located at Atun, Chittorgarh Road, Bhilwara – 311 001, Rajasthan, India.

The Company is principally engaged in the business of trading of readymade seamless garment.

1.1 BASIS OF PREPARATION:

A. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2021

These financial statements were approved for issue in accordance with the resolution of the Board of Directors as per its meeting held on 03rd May 2021.

B. Functional and presentation currency

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

Basis of measurement

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

Items	Measurement Basis
Net defined benefit(asset)/liability related to Gratuity & Leave encashment	Fair value of plan assets less present value of defined benefit obligations

C. Use of estimates and judgements

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



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

Judgments

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

- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

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

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

D. Measurement of fair values

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

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted price included in Level 1 that are observable for the assets or Liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).



- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

2. SIGNIFICANT ACCOUNTING POLICIES:

A. Current and non-current classification

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

Assets:

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

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

Liabilities:

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

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

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

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in Cash or cash equivalents, the Company has ascertained its normal



operating cycle as 12 months for the purpose of Current / Non-current classification of assets and liabilities.

B. Property, plant and equipment (PPE)

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

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

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

C. Depreciation and amortisation:

Depreciation is recognised using straight line method so as to write off the cost of the assets 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, estimated useful lives and residual values are determined based on technical parameters / assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

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

Depreciation on additions to/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.

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



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

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

D. Intangible assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

E. Impairment of assets

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

F. Financial Instruments

(1) Financial Assets

(i) Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognized using trade date accounting.

(ii) Subsequent measurement

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(2) Financial liabilities

(i) Initial recognition and measurement



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

(ii) Subsequent measurement

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

(3) Derecognition of financial instruments

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

(i) 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.

G. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

H. Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. Tax expense relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Taxes are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.



Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

I. Inventories

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

(i)	Stock in trade (Readymade Garments)	At lower of Cost or Net Realizable value
(ii)	Stores Inventory	Valued at landed cost

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

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

J. 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.

K. 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.

L. Provision and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, 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.

M. Contingent Assets

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



N. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

A. Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with dispatch. GST and other taxes on sales are excluded from revenue.

B. 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.

C. Other income

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.

O. 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.

P. 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.



Q. Leases

As lessee

Initial measurement

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

Subsequent measurement

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

Impairment:

Right of use assets are evaluated for recoverability whenever events or changes in circumstances

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

Short term Lease or Low Value Lease

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

As a lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease income is recognised in the statement of profit and loss on straight line basis over the lease term.



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.

R. Earnings per share

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

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



SANGAM LIFESTYLE VENTURES LIMITED

Notes to the financial statements for the year ended 31st March 2021

(All amounts are in ₹, unless otherwise stated)

3. PROPERTY, PLANT AND EQUIPMENTS

Amount in ₹

Particulars	Gross Block				Depreciation				Net Block	
	As at 31st March 2020	Additions	Deletions	As at 31st March 2021	As at 31st March 2020	Additions	Deletions	As at 31st March 2021	As at 31st March 2021	As at 31st March 2020
Furniture and fixtures	22,88,500	-	-	22,88,500	8,14,986	2,17,573	-	10,32,559	12,55,941	14,73,514
Computers	2,21,107	-	-	2,21,107	2,02,176	7,876	-	2,10,052	11,055	18,931
Total	25,09,607	-	-	25,09,607	10,17,162	2,25,449	-	12,42,611	12,66,996	14,92,445
Capital Work-in-progress	-	-	-	-	-	-	-	-	-	-
Total	25,09,607	-	-	25,09,607	10,17,162	2,25,449	-	12,42,611	12,66,996	14,92,445

Particulars	Gross Block				Depreciation				Net Block	
	As at 31st March 2019	Additions	Deletions	As at 31st March 2020	As at 31st March 2019	Additions	Deletions	As at 31st March 2020	As at 31st March 2020	As at 31st March 2019
Tangible Assets										
Furniture and fixtures	22,88,500	-	-	22,88,500	5,97,413	2,17,573	-	8,14,986	14,73,514	16,91,087
Computers	2,21,107	-	-	2,21,107	1,56,951	45,225	-	2,02,176	18,931	64,156
Total	25,09,607	-	-	25,09,607	7,54,364	2,62,798	-	10,17,162	14,92,445	17,55,243
Capital Work-in-progress	1,440	-	1,440	-	-	-	-	-	-	1,440
Total	25,11,047	-	1,440	25,09,607	7,54,364	2,62,798	-	10,17,162	14,92,445	17,56,683



SANGAM LIFESTYLE VENTURES LIMITED

Notes to the financial statements for the year ended 31st March 2021

(All amounts are in ₹, unless otherwise stated)

4. INTANGIBLE ASSETS

Particulars	Gross Block						Depreciation			Net Block		Amount in ₹
	As at 31st March 2020	Additions	Deletions	As at 31st March 2021	As at 31st March 2020	Additions	Deletions	As at 31st March 2021	As at 31st March 2021	As at 31st March 2020		
	Intangible Assets											
Computer Software	15,65,318	-	-	15,65,318	5,76,775	3,65,373	-	9,42,148	6,23,170	9,88,543		
Total	15,65,318	-	-	15,65,318	5,76,775	3,65,373	-	9,42,148	6,23,170	9,88,543		

Particulars	Gross Block						Depreciation			Net Block	
	As at 31st March 2019	Additions	Deletions	As at 31st March 2020	As at 31st March 2019	Additions	Deletions	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	
	Intangible Assets										
Computer Software	15,65,318	-	-	15,65,318	3,01,075	2,75,700	-	5,76,775	9,88,543	12,64,243	
Total	15,65,318	-	-	15,65,318	3,01,075	2,75,700	-	5,76,775	9,88,543	12,64,243	



SANGAM LIFESTYLE VENTURES LIMITED

Notes on Financial Statements for the year ended 31st March 2021

5 OTHER FINANCIAL ASSETS

	As at 31 st March 2021	As at 31 st March 2020
Security Deposit	-	1,80,000
TOTAL	-	1,80,000

6 DEFERRED TAX ASSETS (NET)

	As at 31 st March 2021	As at 31 st March 2020
Deferred Tax Assets		
Accrued expenses allowable on payment basis	5,74,191	4,54,964
Related to Unabsorbed Depreciation & losses	2,29,03,258	2,03,90,826
Others	-	1,300
TOTAL (A)	2,34,77,449	2,08,47,090

Deferred Tax Liabilities		
Related to Property, Plant and Equipment and Intangible Assets	22,123	88,511
Others	-	-
TOTAL (B)	22,123	88,511

Deferred Tax Assets (Net) (A - B)	2,34,55,326	2,07,58,579
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A Movement in deferred tax balances

	As at 31st March, 2020	Recognized in P&L	Recognized in OCI
(a) Deferred Tax Assets			
Accrued expenses allowable on payment basis	4,54,964	1,74,186	54,959
Related to Unabsorbed Depreciation & losses	2,03,90,826	25,12,432	-
Allowance for Bad & Doubtful Debts	-	-	-
Others	1,300	(1,300)	-
Sub-Total (a)	2,08,47,090	26,85,318	54,959

(b) Deferred Tax Liabilities			
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortization for financial reporting	88,511	(66,388)	-
Others	-	-	-
Sub-Total (b)	88,511	(66,388)	-

(c) MAT Credit			
MAT Credit Entitlement	-	-	-
MAT Credit Current Year	-	-	-
MAT Credit Earlier Year	-	-	-
Sub-Total (c)	-	-	-

Net Deferred Tax Assets (a)-(b)-(c)	2,07,58,579	27,51,706	54,959
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Movement in deferred tax balances

	As at 31st March, 2019	Recognized in P&L	Recognized in OCI
(a) Deferred Tax Assets			
Accrued expenses allowable on payment basis	3,56,646	1,68,825	70,507
Related to Unabsorbed Depreciation & losses	2,05,04,819	(1,13,993)	-
Allowance for Bad & Doubtful Debts	-	-	-
Others	2,600	(1,300)	-
Sub-Total (a)	2,08,64,065	53,532	70,507

(b) Deferred Tax Liabilities			
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortization for financial reporting	1,15,333	(26,822)	-
Others	-	-	-
Sub-Total (b)	1,15,333	(26,822)	-

(c) MAT Credit			
MAT Credit Entitlement	-	-	-
MAT Credit Current Year	-	-	-
MAT Credit Earlier Year	-	-	-
Sub-Total (c)	-	-	-

Net Deferred Tax Assets (a)-(b)-(c)	2,07,48,732	80,354	70,507
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SANGAM LIFESTYLE VENTURES LIMITED

Notes on Financial Statements for the year ended 31st March 2021

B Amounts recognised in profit or loss

	As at 31 st March, 2021	As at 31 st March, 2020
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Current tax expense	-	-
Current year	-	-
Earlier Years	-	-
Deferred tax expense		
Origination and reversal of temporary differences	(27,51,706)	(80,354)
TOTAL	(27,51,706)	(80,354)
Total Tax Expense	(27,51,706)	(80,354)

C. Amounts recognised in Other Comprehensive Income

	As at 31 st March, 2021	As at 31 st March, 2020
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Particulars		
Remeasurements of defined benefit liability		
Before Tax	2,11,382	2,71,180
Tax (Expense)/ Income	(54,959)	(70,507)
Net of Tax	1,56,423	2,00,673



D The income tax expenses for the year reconciled to the accounting profit as follows :

	2020-21	2019-20
Profit/ (Loss) before Tax	(99,74,623)	(3,07,610)
Applicable Tax Rate	26.00%	26.00%
Computed Tax Expense	(25,93,402)	(79,980)
Tax effect of :		
Exempted income / Items Considered Separately	-	-
Expenses Disallowed	1,69,495	3,08,834
Additional Allowances	(88,526)	(1,14,862)
MAT Credit Entitlement	-	-
Total	(25,12,433)	1,13,992
Current Tax Provision (Net of MAT Credit) (A)	-	-
Incremental Deferred Tax Liability on account of Tangible and Intangible Assets	(66,388)	(26,822)
Incremental Deferred Tax on account of Unabsorbed Business Losses	(26,85,318)	(53,531)
Taxes recognised in Statement of Profit & Loss (B)	(27,51,706)	(80,353)
Net Taxes (A+B)	(27,51,706)	(80,353)
Effective Tax Rate	27.59%	26.12%

7 INVENTORIES

Finished Goods	5,41,64,143	5,38,00,619
Stores Inventory	64,040	1,50,564
TOTAL	5,42,28,183	5,39,51,183

7.1 For basis of valuation of inventories Refer Note No. 2 I

8 TRADE RECEIVABLES

(a) Trade Receivables considered good - Secured	-	-
(b) Trade Receivables considered good - Unsecured	2,51,85,725	5,23,21,798
(c) Trade Receivables which have significant increase in Credit Risk	-	-
(d) Trade Receivables - credit impaired	-	-
	2,51,85,725	5,23,21,798
Less : Allowance for Doubtful Debts	-	-
TOTAL	2,51,85,725	5,23,21,798

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

SANGAM LIFESTYLE VENTURES LIMITED

	As at 31 st March 2021	As at 31 st March 2020
9 CASH & CASH EQUIVALENTS		
Balance with Banks	3,50,373	1,59,747
Cash on Hand	-	-
TOTAL	3,50,373	1,59,747
10 OTHER CURRENT FINANCIAL ASSETS		
Advance to Employees	1,55,350	18,750
Other Receivable	-	-
TOTAL	1,55,350	18,750
11 CURRENT TAX ASSETS		
Advance tax, MAT Credit Receivables & TDS/Refund Receivable (Net)	1,74,908	-
TOTAL	1,74,908	-
12 OTHER CURRENT ASSETS		
Advance against Supplies	43,303	7,62,780
GST Balances	96,30,277	32,030
Deferred GST Balances	-	66,00,272
Prepaid Expenses	80,316	1,02,101
Advance Against Expenses to Employees	-	9,822
TOTAL	97,53,896	75,07,005

12.1 Deferred GST Balances pertains to Input Credit Received but will be available for utilisation after payment of bills overdue for more than 180 Days

SANGAM LIFESTYLE VENTURES LIMITED

	As at 31 st March 2021	As at 31 st March 2020
Notes on Financial Statements for the year ended 31st March 2021		
13 EQUITY SHARE CAPITAL		
Authorised Share Capital:		
10,00,000 (Previous Year 10,00,000) Equity share of ₹ 10 each	1,00,00,000	1,00,00,000
	1,00,00,000	1,00,00,000
Issued, Subscribed and Paid Up:		
50000 (Previous Year 50,000) Equity share of ₹ 10 each fully paid up	5,00,000	5,00,000
TOTAL	5,00,000	5,00,000

a. Terms and Rights attached to Equity Shares

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

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

Equity Shares as at 31 st March, 2020	50000	50000
Add: Shares Issued During the year	-	-
Equity Shares as at 31 st March, 2021	50000	50000

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



<u>Name of the Shareholder</u>	<u>No. of Shares</u>	<u>No. of Shares</u>
Sangam (India) Limited	50,000	50,000
TOTAL	50,000	50,000
All the shares held by Holding Company (M/s Sangam (India) Limited)		
14 OTHER EQUITY		
Retained Earnings		
Balances at the beginning of the year	(5,99,30,570)	(5,97,03,313)
Add: Profit/ (Loss) for the year	(72,22,916)	(2,27,257)
Less: Appropriations		
Transferred to General Reserve	-	-
Balance at the end of the year	(6,71,53,486)	(5,99,30,570)
Other Comprehensive Income		
Balances at the beginning of the year	2,32,391	31,718
Addition during the year	1,56,423	2,00,673
Balance at the end of the year	3,88,814	2,32,391
TOTAL	(6,67,64,672)	(5,96,98,179)
15 TRADE PAYABLES		
(A) Total outstanding dues of micro enterprises and small enterprises	-	6,38,621
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	16,80,71,819	18,02,86,225
TOTAL	16,80,71,819	18,09,24,846
15.1 Payable to holding company towards purchase of goods	16,46,31,480	18,01,99,184
15.2 Dues to Micro, Small & Medium Enterprises:-		
The figures have been disclosed on the basis of informations received from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and/or based on the information available with the company. Further, no interest during the year has been paid or payable under the provisions of the MSMED Act, 2006.		
15.3 The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount due to micro and small enterprises*	-	6,38,621
- Interest due on above	-	-
15.4 the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
15.5 The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act 2006-	-	-
15.6 The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
15.7 The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 73 of the Micro, Small and Medium Enterprises Development Act 2006	-	-
16 OTHER FINANCIAL LIABILITIES		
Security Deposit	22,18,022	15,73,384
Liability towards Staff and Workers	19,76,934	21,06,686
Commission Payable on Sales	5,01,385	3,34,476
Liabilities for Expenses	57,75,866	74,03,586
TOTAL	1,04,72,207	1,14,18,132
16.1 Payable to holding company towards against expenses	-	-
17 OTHER CURRENT LIABILITIES		
Advance from Customers	5,20,434	23,32,591
Statutory Dues	1,85,711	1,50,800
TOTAL	7,06,145	24,83,391
18 PROVISIONS		
Provisions for Leave Encashment	7,56,703	6,95,623
Provisions for Gratuity	14,51,724	10,54,237
TOTAL	22,08,427	17,49,860
SANGAM LIFESTYLE VENTURES LIMITED		
Notes on Financial Statements for the year ended 31 st March 2021		
	2020-21	2019-20
19 REVENUE FROM OPERATIONS		
a.) Sale of Products		
Finished Goods	10,46,02,735	14,57,31,566
TOTAL	10,46,02,735	14,57,31,566
TOTAL	10,46,02,735	14,57,31,566
20 OTHER INCOME		
Interest		
From Trade Debtors	-	17,367
From Others	-	240
Other Non-Operating Income		
Miscellaneous Receipts	2,501	23,720
TOTAL	2,501	41,327



	<u>2020-21</u>	<u>2019-20</u>
21 PURCHASES OF STOCK IN TRADE		
Stock in Trade – Seamless garments	6,49,46,065	7,95,26,612
	<u>6,49,46,065</u>	<u>7,95,26,612</u>
22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the end of the year		
Finished Goods	5,41,64,143	5,38,00,619
	<u>5,41,64,143</u>	<u>5,38,00,619</u>
Inventories at the beginning of the year		
Finished Goods	5,38,00,619	6,85,69,168
	<u>5,38,00,619</u>	<u>6,85,69,168</u>
(INCREASE) / DECREASE IN INVENTORY	<u>(3,63,524)</u>	<u>1,47,68,549</u>
23 EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	1,41,71,551	2,33,89,508
Contribution to Provident and Other Funds	3,50,632	6,02,795
Staff Welfare Expenses	6,890	39,233
TOTAL	<u>1,45,29,073</u>	<u>2,40,31,536</u>
24 FINANCE COSTS		
Interest Expenses	16,94,449	15,71,468
Other Borrowing Cost	8,016	5,887
TOTAL	<u>17,02,465</u>	<u>15,77,355</u>
25 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on Tangible Assets	2,25,449	2,62,798
Amortisation of Intangible Assets	3,65,373	2,75,700
TOTAL	<u>5,90,822</u>	<u>5,38,498</u>
26 OTHER EXPENSES		
A Administrative Expenses		
Rent	2,81,500	12,60,000
Rates & Taxes	5,81,180	5,000
Stores Consumed	43,904	5,44,782
Packing Material Consumed	4,60,761	6,76,003
Repairs To: Others	-	-
Payments to Auditors : Statutory Audit Fees	51,500	50,525
Reimbursement of Expenses	4,900	-
Insurance Premium	2,32,019	1,99,742
Travelling & Conveyance	28,32,024	78,93,387
Telephone & Communication Exp.	88,343	69,071
Directors' Remuneration	-	-
Printing & Stationery	34,700	84,901
Legal & Professional Fees	1,66,623	1,18,488
Miscellaneous Expenses	6,83,218	7,57,043
Sub Total (A)	<u>54,60,673</u>	<u>1,16,58,942</u>

SANGAM LIFESTYLE VENTURES LIMITED

Notes on Financial Statements for the year ended 31st March 2021

	<u>2020-21</u>	<u>2019-20</u>
B Selling and Distribution Expenses		
Sales Commission & Brokerage	10,720	2,06,940
Freight, Octroi and Other Selling Expenses	2,77,03,565	1,37,72,071
Sub Total (B)	<u>2,77,14,286</u>	<u>1,39,79,011</u>
Total (A+B)	<u>3,31,74,958</u>	<u>2,56,37,953</u>
27 OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	(2,11,382)	(2,71,180)
Tax relating to remeasurement of defined benefit plans	54,959	70,507
Total other comprehensive income for the period	<u>(1,56,423)</u>	<u>(2,00,673)</u>
28 EARNINGS PER SHARE (EPS)		
i) Net Profit/ (Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders	(72,22,916)	(2,27,257)
ii) Weighted Average number of equity shares used as denominator for calculating EPS	50,000	50,000
iii) Basic and Diluted Earning per share (In ₹)	(144.46)	(4.55)
iv) Face Value per equity share (In ₹)	10	10



SANGAM LIFESTYLE VENTURES LIMITED, BHILWARA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31st MARCH 2021

29. DISCLOSURE OF RELATED PARTY TRANSCATIONS PURSUANT TO IND AS 24 "RELATED PARTY DISCLOSURES"

A. Details of Related Parties

1. Key Management Personnel : Shri Vinod Kumar Sodani (Director)
Shri Anurag Soni (Director)
Shri Pranal Modani (Director)

2. Holding Company : M/s Sangam (India) Limited

3. Relatives of Key Managerial Personnel (KM) : Shri R P Soni
Shri S N Modani
Smt Radha Devi Soni
Smt Mamta Modani
Smt Archana Sodani
Smt Anjana Thakur
Smt Antima Bass
Smt Palak Modani
Mrs. Krippie Soni
Ms Mihika Sodani

4. Other Related parties

Mahalaxmi TMT Private Limited (Relative of Director is Director)
Raj Rajeshwar Enterprises Private Limited (Relative of Director is member)
Laddha Construction Company Private Limited (Relative of Director is member)
Shri R.P. Soni HUF (Relative of Director is karta)
M/s Badri Lal Soni Charitable Trust (Relative of Director is trustee)
M/s Kesar Bai Soni Charitable Trust (Relative of Director is trustee)
Sangam Business Credit Limited (Person Acting in Concert)
Nikita Credits Private Limited (Person Acting in Concert)
Fashion Funda.Com Private Limited (Person Acting in Concert)



B. Disclosure of related party transactions:

Sr.no.	Nature of transaction/relationship/major parties	Relationship	Amount in ₹	
			2020-21 Amount	2019-20 Amount
1	Purchase of goods & services (including commission paid)			
	Purchase of Goods			
	M/s Sangam (India) Limited	Holding Company	5,03,65,228	7,43,63,437
2	Rent paid			
	M/s Sangam (India) Limited	Holding Company	1,20,000	1,20,000

C. Amount due to/from related parties:

Sr.no.	Nature of transaction/relationship/major parties	Relationship	Amount	
			2020-21 Amount	2019-20 Amount
1	Trade Payable			
	M/s Sangam (India) Limited	Holding Company	16,46,31,480	18,01,99,184

30. CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities as at the year end.

31. 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 Seamless Readymade Garments trading 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	Amount in ₹	
	2020-21	2019-20
Domestic	10,46,02,735	14,57,31,566
Export	-	-
TOTAL	10,46,02,735	14,57,31,566

- c. The company does not have any major single customers / group of external customer having 10% of its revenue.



32. 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.

	For the year ended	
	31 st March, 2021	31 st March, 2020
Contribution to government Provident Fund	3,00,323	4,86,943

(ii) Defined Benefit Plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Other long term employee benefit plans

Compensated absences
Every employee is entitled to paid leave as per the company's policies. The employees are allowed to avail leave and carry forward a specified number of days, the same is encashable during the service period and at the time of separation from the company or retirement, whichever is earlier.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	Gratuity		Leave encashment	
	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020
Net defined benefit (liability) / asset	14,51,724	10,54,237	7,56,703	6,95,623
Non-current	14,39,960	10,52,010	5,95,222	6,80,450
Current	11,764	2,227	1,61,481	15,173

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

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:

	Gratuity				Leave Encashment			
	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020
Defined benefit obligation	10,54,237	7,86,213	7,86,213	6,95,623	6,95,623	5,85,502	5,85,502	
Net defined benefit (asset)/ liability	5,37,181	4,79,137	4,79,137	4,12,689	4,12,689	3,40,129	3,40,129	
Current service cost	71,688	60,067	60,067	47,302	47,302	44,732	44,732	
Interest cost (income)	6,08,869	5,39,204	5,39,204	4,59,991	4,59,991	3,84,861	3,84,861	
Included in OCI								
Remeasurements loss (gain)	-	-	-	-	-	-	-	
- Actuarial loss (gain) arising from:								
- demographic assumptions	2,195	1,37,332	1,37,332	889	889	85,033	85,033	
- financial assumptions	(2,13,577)	(4,08,512)	(4,08,512)	(3,99,800)	(3,99,800)	(3,59,773)	(3,59,773)	
- experience adjustment								
- on plan assets	(2,11,382)	(2,71,180)	(2,71,180)	(3,98,911)	(3,98,911)	(2,74,740)	(2,74,740)	
Other								
Contributions paid by the employer	-	-	-	-	-	-	-	
Benefits paid	-	-	-	-	-	-	-	
Expected Return on Plan Assets	-	-	-	-	-	-	-	
Balance as at 31 st March	14,51,724	10,54,237	10,54,237	7,56,703	7,56,703	6,95,623	6,95,623	



C. Plan assets

Fund managed by insurer

	31 st March, 2021	31 st March, 2020
	0%	0%
	0%	0%

D. Actuarial assumptions

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

	31 st March, 2021	31 st March, 2020
Discount rate	6.79%	6.80%
Expected rate of future salary increase	5.50%	5.50%
Mortality	100% of IALM (2006 - 08) Ult.	

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

E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Gratuity		Leave Encashment	
	31 st March 2021	31 st March 2020	31 st March 2021	31 st March 2020
Discount rate (1% movement)	Increase 12,52,251	Increase 8,93,304	Increase 6,75,700	Increase 5,95,962
Expected rate of future salary increase (1% movement)	Decrease 16,93,865	Decrease 12,52,238	Decrease 8,54,783	Decrease 8,17,959
	16,92,507	12,51,238	8,54,180	8,17,219
		8,31,447	6,74,851	5,94,967

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.
- F) Withdrawal – Actual withdrawal proving higher or lower than assumed withdrawal and change of withdrawal rates at subsequent valuations can impact Plan's liability.

G. Expected maturity analysis of the undiscounted gratuity benefits is as follows

Particulars	Amount in ₹	
	As at 31 st March, 2021	As at 31 st March, 2020
Duration of defined benefit payments		
Less than 1 year	11,764	2,227
Between 1-2 years	48,924	3,948
Between 2-5 years	94,843	69,324
Over 5 years	3,68,659	2,41,929
Total	5,24,190	3,17,428

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 16.07 years



SANGAM LIFESTYLE VENTURES LIMITED, BHILWARA

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST MARCH 2021**

33. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT:

Fair value measurements Hierarchy

Amount in ₹

Particulars	As at 31 st March, 2021				As at 31 st March, 2020			
	Carrying Amount	Level 1	Level 2	Level 3	Carrying Amount	Level 1	Level 2	Level 3
<u>Financial Assets:</u>								
At Amortized Cost								
Other non-current financial assets	-	-	-	-	1,80,000	-	-	
Trade receivables	2,51,85,725	-	-	-	5,23,21,798	-	-	
Cash and cash equivalents	3,50,373	-	-	-	1,59,747	-	-	
Bank balances other than above	-	-	-	-	-	-	-	
Other current financial assets	1,55,350	-	-	-	18,750	-	-	
	2,56,91,448	-	-	-	5,26,80,295	-	-	
<u>Financial Liabilities</u>								
At Amortized Cost								
Trade payables	16,80,71,819	-	-	-	18,09,24,846	-	-	
Borrowings	-	-	-	-	-	-	-	
Other current financial liabilities	1,04,72,207	-	-	-	1,14,18,132	-	-	
	17,85,44,026	-	-	-	19,23,42,978	-	-	

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.



Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of property defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Management impact analysis shows credit risk and impact assessment as low.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

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

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 ₹ 252 Lakhs (31st March 2020 – ₹ 523 Lakhs).



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

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 cash and cash equivalents on the basis of expected cash flows. This is generally carried out in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements.

(a) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Amount in ₹

Particulars	Carrying Amount	Contractual cash flows			
	31 st March,2021	Total	Within 1 Year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings	-	-	-	-	-
Short term borrowings	-	-	-	-	-
Trade payables	16,80,71,819	16,80,71,819	16,80,71,819	-	-
Other current financial liabilities	1,04,72,207	1,04,72,207	1,04,72,207	-	-
Total non-derivative liabilities	17,85,44,026	17,85,44,026	17,85,44,026	-	-



Amount in ₹

Particulars	Carrying Amount	Contractual cash flows			
	31 st March,2020	Total	Within 1 Year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings	-	-	-	-	-
Short term borrowings	-	-	-	-	-
Trade payables	18,09,24,846	18,09,24,846	18,09,24,846	-	-
Other current financial liabilities	1,14,18,132	1,14,18,132	1,14,18,132	-	-
Total non-derivative liabilities	19,23,42,978	19,23,42,978	19,23,42,978	-	-

34. PREPARATION OF FINANCIAL STATEMENT OF GOING CONCERN BASIS

The company has earned operating losses in current year. The company is a wholly owned subsidiary of M/s Sangam (India) Limited and is incorporated with the objective of retail and online marketing of seamless readymade garments. The company mainly buys products from the holding company and sells it through network of dealers (online and offline) all over the India. The company is growing at a good speed and the turnover has increased from last years. The company is presently fully funded by M/s Sangam India Limited and the holding company is committed to infuse additional funds and to provide reasonable credit lines to the company. The nature of Industry is such that losses/ low profits are incurred in initial years till brand is fully set up. Based on the increase in the sales, response from the dealers and holding company's support, the management is confident of substantial increase in turnover and operating profits in near future. Hence, the financial statements are prepared on going concern basis.

Further, The Board of Directors of the Sangam India Limited (SIL) and Sangam lifestyle Ventures Limited (SLVL) has approved the Scheme of Amalgamation of SLVL with SIL on dated 14th September, 2020 and 12th September, 2020 respectively, appointed date being 1st April, 2020. As per order dated 1st April, 2021, the Hon'ble National Company Law Tribunal ("NCLT"), Jaipur Bench, the NCLT convened Meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors of Sangam (India) Limited are scheduled to be held on Saturday, the 22nd May, 2021 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") for approve the scheme of Merger. Accounting effect of the merger will be given once Scheme is approved by the NCLT.

35. TREATMENT OF OPERATING LEASES

The Company is having few stores located in various cities which are taken on lease. Fix monthly rent is paid as per agreement. Due to increase in online marketing, the company is planning to gradually reduce the number of stores gradually before the expiry of lease term. Hence, due to low probability of continuity/ renewal of the lease and due to insignificant lease payment, the same are accounted as low value/ short duration lease. Further, none of outstanding lease period is of more than 36 months.



36. IMPLICATIONS OF COVID-19 ON THE BUSINESS

The Covid 19 pandemic had its impact on the global economic environment including in India, causing significant disruption in economic activities and the textile industry where the Company is operating had been adversely impacted in the first half of FY 2020-21 due to the pandemic. With the gradual relaxation in the second half, economic activities had improved. However, the second wave of Covid 19 emerging in India in the Month of April-May 2021 may have an impact on the industry and Company. The Company is of the view that the vaccination programme of Governments, will minimise the impact on the economic activities.

The Company closely monitors the recent developments and effect of present pandemic over the business. The company believes that this pandemic is not likely to have material impact on the carrying value of its assets and hence no provision for any Impairment is required. As the situation unfolds in the future, the eventual impact may be different from the estimates made as on the date of approval of these Financial Statements.

37. APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved for issue by the Board of Directors on 03rd May, 2021.

As per our report of even date

For: O.P. Dad & Co.

Chartered Accountants

(Firm Registration No. 002330C)



(Abhishek Dad)

Partner

Membership No. 409237



For and on behalf of the Board



Director

(DIN 00403740)



Director

(DIN 06894190)

Place: Bhilwara

Date: 3rd May, 2021