

**Independent Auditor's Report**

To,  
The Members of  
**SANGAM VENTURES LIMITED**  
**BHILWARA**

**Report on the Financial Statements**

We have audited the accompanying standalone financial statements of **SANGAM VENTURES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including other comprehensive income), Statement of Cash Flow for the period ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit/loss, and its cash flows for the period 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.

**Information other than the financial statements and auditors' report thereon**

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

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

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

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

**Responsibilities of Management's and Those Charged with Governance for the Financial Statements.**

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





In preparing the financial statements, management 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

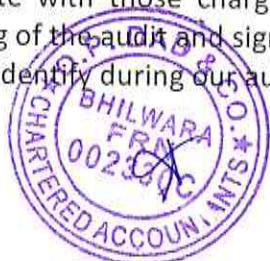
### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 companies Act 2013 we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation. 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.

### Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- (2) As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable.
  - (e) on the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The company has disclosed the impact, if any, of pending litigations on its financial position in its financial statement in the contingent liability section to the extent it is ascertainable in the opinion of management;
    - (ii) as per the information provided to us by the management, the company has not entered in to long term contract including derivative contracts for which provisioning is required;
    - (iii) The management has represented that to the best of its knowledge and belief, other than those disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (Either from borrowed funds, share capital or any other source or kind of funds) by the company to or in any other person(s) or entity(s), including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.
    - (iv) The management has represented that to the best of its knowledge and belief, other than those disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such company shall whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.



(v) Based on the audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the above representations given by the management contain any material mis-statement.

(vi) as this is the first year of operation of the company, there is no unpaid dividend, so there is no requirement of transfer of amount in Investor Education & Protection fund. (IEPF);

**FOR: O. P. DAD & COMPANY  
CHARTERED ACCOUNTANTS**



[ABHISHEK DAD]

PARTNER

M.NO. 409237

UDIN- 22409237AJXFKR3936



PLACE : BHILWARA

DATED: 30.05.2022



## ANNEXURE 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) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment including capital work in progress.
- (b) The company is not having any intangible assets so there is no requirement to maintain records regarding intangible assets.
- (B) All the Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular program of verification which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such 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 company do not have any immovable properties, hence information as regards to this clause is either Nil or Not Applicable.
- (D) No Revaluation of its Property, Plant and Equipment or intangible assets both has been done by the company during the year.
- (E) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

II

As According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company do not have any inventories, hence information as regards to this clause is either Nil or Not Applicable.

III

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

- IV According to the information & explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loan to directors and complied with the provisions of section 185 and 186 of the companies act.
- 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 The Central Government has prescribed maintenance of the cost records under 148(1) of the Companies Act, 2013 in respect to the company's products. However the prescribed limits for maintenance of records have not been exceeded, accordingly paragraph 3(vi) of the Order is not applicable.



VII

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

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

VIII According to the information and explanations given to us, There are no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

IX

(A) 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.

(B) According to the information and explanations given to us, Company is not declared wilful defaulter by any bank or financial institution or other lender during the year.

(C) According to the information and explanations given to us and based on our examination of the records of the Company, term loans sanction have been applied for the purpose for which it were obtained.

(D) According to the information and explanations given to us, funds raised on short term basis have not been utilized for long term purposes.

(E) According to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(F) According to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

X

(A) 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.

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

XI

(A) 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.

(B) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(C) According to the information & explanations given to us, No whistle-blower complaints have received during the year.





- XII In our opinion and according to the information and explanations give to us, the Company is not a Chit Fund / Nidhi / Mutual Benefit Fund / Society. Therefore, the provision of clause 3(xii) of the Companies (Auditor's Report) Order, 2017 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 Internal Audit is not applicable to companies. So paragraph 3(xiv) is not applicable to company.
- 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 any non-cash transactions with directors or persons connected with him.
- XVI The Company is not required to be registered under sec. 45-IA of the Reserve Bank of India Act, 1934.
- XVII The Company has incurred cash loss in the financial year under review. The amount of cash loss is Rs.27.75 lacs. This reporting period is first year of operation of the company and project of the company is under implementation. The cash loss incurred is mainly on account of written-off of preliminary expenses.
- XVIII There has not been any resignation of the statutory auditors during the year.
- XIX On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, Our broad knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- XX CSR provisions as per section 135 are not applicable to companies, so provisions of paragraph 3(XX) are not applicable to company.
- XXI the Company is not required to prepare consolidated financial statements. Hence, clause 3(Xxi) is not applicable.

**FOR: O. P. DAD & COMPANY  
CHARTERED ACCOUNTANTS**



[ABHISHEK DAD]

PARTNER

M.NO. 409237

UDIN- 22409237 AJXFKR 3936



PLACE : BHILWARA

DATED: 30.05.2022

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

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

We have audited the internal financial controls over financial reporting of **SANGAM VENTURES LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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





## Meaning of Internal Financial Controls over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR: O. P. DAD & COMPANY  
CHARTERED ACCOUNTANTS**



[ABHISHEK DAD]  
PARTNER

M.NO. 409237

UDIN- 22409237 AJX FKR 3936



PLACE : BHILWARA

DATED: 30.05.2022



**SANGAM VENTURES LIMITED, BHILWARA**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2022**

**1. GENERAL INFORMATION:**

Sangam Ventures Limited ("the Company") is a public limited company domiciled in India and was incorporated on 03<sup>rd</sup> December 2021; the financial statement pertains for the period 03.12.2021 to 31.03.2022. 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.

It shall setup a world class plant for seamless garments. The product range will comprise of garments in various blends such as polyamide, spandex, polypropylene and natural fibres.

**1.1 BASIS OF PREPARATION:**

**A. Statement of compliance**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) as at and for the period ended March 31, 2022.

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

**B. Functional and presentation currency**

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

**Basis of measurement**

The financial statements have been prepared under the historical cost convention on accrual basis.

**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.

**PPE not ready for the intended uses on the date of the Balance Sheet, therefore no depreciation has been provided for during the period ending as on 31.3.2022.**



**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.

**There were no inventories with company as at date of financial statements for the period ending as on 31.3.2022.**

**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.

**There was no revenue generated during the period ending as on 31.3.2022.**

### **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.

## S. Changes in accounting policies and disclosures

### New and amended standards

#### (A) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The aforesaid amendment did not have an impact on the disclosure of current or prior period financial statements of the Company.

#### (B) Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortized cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The aforesaid amendment did not have an impact on the disclosure of current or prior period financial statements of the Company.

#### (C) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the





period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

The aforesaid amendment did not have an impact on the disclosure of current or prior period financial statements of the Company.

**(D) Amendments to Ind AS 28: Long-term interests in associates and joint ventures**

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

These amendments had no impact on the standalone financial statements as the Company does not have long-term interests in its associate and joint venture.

**(E) Annual Improvements to Ind AS 2018**

**Ind AS 12 Income Taxes**

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events. An entity applies the amendments for annual reporting periods beginning on or after April 1, 2019. These amendments had no impact on the standalone financial statements as the Company

**Ind AS 23 Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after April 1, 2019.

The aforesaid amendment did not have an impact on the disclosure of current or prior period financial statements of the Company



**SANGAM VENTURES LIMITED**  
Balance Sheet as at 31<sup>st</sup> March, 2022

(Rs in Lacs)


Particulars	Note	As at	31 <sup>st</sup> March 2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	3		-
Capital Work-In-Progress	3(a)		701.81
Intangible Assets			-
<b>Financial Assets</b>			
(i) Other Financial Assets			-
Deferred Tax Assets (Net)			-
Other Non Current Assets	4		534.60
<b>TOTAL NON-CURRENT ASSETS</b>			<b>1,236.41</b>
<b>CURRENT ASSETS</b>			
inventories			-
<b>Financial Assets</b>			
(i) Trade Receivables			-
(ii) Cash and Cash equivalents	5		103.89
(iii) Bank balances other than (ii) above			-
(iv) Other Current Financial Assets	6		0.85
Current Tax Assets (Net)	7		0.16
Other Current Assets	8		8.33
<b>TOTAL CURRENT ASSETS</b>			<b>113.23</b>
<b>TOTAL ASSETS</b>			<b>1,349.64</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	9		770.00
Other Equity	10		(27.75)
<b>TOTAL EQUITY</b>			<b>742.25</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Trade Payables	11		2.32
(A) Total outstanding dues of micro enterprises and small enterprises			0.02
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises			2.30
(ii) Other Financial Liabilities	12		198.03
Other Current Liabilities	13		407.04
Provisions			-
<b>TOTAL CURRENT LIABILITIES</b>			<b>607.39</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>1,349.64</b>

Significant Accounting Policies and Notes to Financial Statements

1 to 28

As per our report of even date

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

  
(Abhishek Dad)

Partner  
Membership No. 409237  
UDIN: 22409237AJXFKR3936



For and on behalf of the Board



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



(Anurag Soni)  
Director  
(DIN 03407094)



Place: Bhilwara  
Date: 30th May, 2022



## SANGAM VENTURES LIMITED

Statement of Profit and Loss for the period ended 31<sup>st</sup> March, 2022

(Rs in Lacs)

Particulars	Note	2021-22
<b>INCOME</b>		
Revenue from Operations		-
Other Income		-
<b>TOTAL INCOME</b>		<b>-</b>
<b>EXPENSES</b>		
Purchases of Traded Goods		-
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		-
Employee Benefits Expense		-
Finance Costs	14	0.02
Depreciation and Amortisation Expense		-
Other Expenses	15	27.73
<b>TOTAL EXPENSES</b>		<b>27.75</b>
Profit/ (Loss) Before Exceptional Items and Tax		(27.75)
Exceptional Items		-
<b>Profit/ (Loss) Before Tax</b>		<b>(27.75)</b>
<b>Tax Expenses</b>		<b>-</b>
Deferred Tax		-
Current Tax		-
<b>Profit/ (Loss) for the year</b>		<b>(27.75)</b>
<b>Other Comprehensive Income</b>		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans		-
Tax relating to remeasurement of defined benefit plans		-
<b>Total Other Comprehensive Income/ (Loss) for the period</b>		<b>-</b>
<b>Total Comprehensive Income/ (Loss) for the period</b>		<b>(27.75)</b>
Earnings per equity share of face value of ₹ 10 each		
Basic and Diluted (in ₹)	16	(0.36)
Significant Accounting Policies and Notes to Financial Statements	1 to 28	

As per our report of even date

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

For and on behalf of the Board

  
(Abhishek Dad)

Partner  
Membership No. 409237  
UDIN: 22409237AJXFKR-8936



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

  
(Anurag Soni)  
Director  
(DIN 03407094)

Place: Bhilwara  
Date: 30th May, 2022



**SANGAM VENTURES LIMITED**

Cash Flow Statement for the period ended 31<sup>st</sup> March 2022

(Rs in Lacs)  
Current Period

<b>A Cash Flow from Operating Activities</b>	
Net Loss Before Tax	(27.75)
Adjustments for :-	
Depreciation and Amortisation Expense	-
Finance Costs	0.02
Other Comprehensive Income/ (Loss)	-
<b>Operating Loss before working capital changes</b>	<b>(27.73)</b>
Movements in Working Capital :-	
(Increase) / Decrease in Inventories	-
(Increase) / Decrease in Trade Receivables	-
(Increase) / Decrease in Other Financial Assets	(0.85)
(Increase) / Decrease in Other Assets	(542.93)
Increase / (Decrease) in Trade Payables	2.32
Increase / (Decrease) in Other Financial Liabilities	198.03
Increase / (Decrease) in Provisions	0.00
Increase / (Decrease) in Other Liabilities	407.04
<b>Cash Generated from Operations</b>	<b>35.88</b>
Taxes Paid	0.16
<b>Net Cash Inflow / (Out Flow) from Operating Activities</b>	<b>35.72</b>
<b>B Cash Flow from Investing Activities</b>	
Purchase of Fixed Assets	
(Increase) / Decrease in CWIP	(701.81)
<b>Net Cash Inflow / (Outflow) from Investing Activities</b>	<b>(701.81)</b>
<b>C Cash Flow from Financing Activities</b>	
Increase in Share Capital/ Application Money/ Security Premium	770.00
Finance Costs	(0.02)
<b>Net Cash Inflow / (Out Flow) from Financing Activities</b>	<b>769.98</b>
Net Increase/ (Decrease) in Cash & Cash equivalents	103.89
Cash and Cash Equivalents at the Beginning	0.00
Cash and Cash Equivalents at the End	103.89

As per our report of even date

For: O.P. Dad & Co.  
Chartered Accountants  
(Firm Registration No. 002390C)



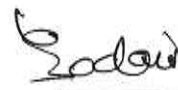
(Abhishek Dad)  
Partner  
Membership No. 409237

UDIN: 22409237 ATXFKR3936

Place: Bhilwara  
Date: 30th May, 2022



For and on behalf of the Board



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



(Anurag Sanil)  
Director  
(DIN 03407094)





SANGAM VENTURES LIMITED

Statement of Changes in Equity for the period ended 31<sup>st</sup> March, 2022

A Equity Share Capital

(Rs in Lacs)

Balance at the beginning of the Period  
 Changes in equity share capital during the period  
 Balance at the end of the reporting period as at 31.03.2022

No. of Shares	Amount
77,00,000	770.00
77,00,000	770.00

B Other Equity

Particulars

Balance at the beginning of the Period  
 Profit/ (Loss) for the period  
 Other comprehensive income/ (loss) for the period  
 Balance at the end of the reporting period as at 31.03.2022

Reserve and Surplus	Other Comprehensive Income	Total
Retained Earning		
(27.75)	0.00	(27.75)
	0.00	0.00
(27.75)	0.00	(27.75)

The accompanying notes are an integral part of these financial statements

As per our report of even date

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



(Abhishek Dad)  
 Partner  
 Membership No. 409237  
 UDIN: 22409237AJXFKR3936



Place: Bhilwara  
 Date: 30th May, 2022

For and on behalf of the Board



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



(Anurag Soti)  
 Director  
 (DIN 03407094)



## 3. PROPERTY, PLANT AND EQUIPMENTS

(Rs in Lacs)

Particulars	Gross Block			Depreciation			Net Block		
	As at 31st March 2021	Additions	Deletions	As at 31st March 2022	As at 31st March 2021	Additions	Deletions	As at 31st March 2022	As at 31st March 2021
Tangible Assets									
Total (a)	-	-	-	-	-	-	-	-	-

## 3 (a). Capital Work-in-Progress

Capital Work-in-Progress:									
a. Buildings									1.00
b. Plant and Machinery									650.87
c. Pre-Operative Expenses									49.94
Total (b)									701.81
Total (a+b)									701.81

## Ageing of Capital Work-in-Progress:

Period	As at 31.3.2022
less than 1 year	701.81
1-2 years	-
2-3 years	-
More than 3 years	-
Total	701.81





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

<b>4</b>	<b><u>Other Non Current Assets</u></b>	
	Capital Advances - Related Party	-
	- Others	534.60
	Prepaid Expenses	-
	<b>TOTAL</b>	<b>534.60</b>
<b>5</b>	<b><u>CASH &amp; CASH EQUIVALENTS</u></b>	
	Balance with Banks	103.77
	Cash on Hand	0.12
	<b>TOTAL</b>	<b>103.89</b>
<b>6</b>	<b><u>OTHER CURRENT FINANCIAL ASSETS</u></b>	
	Advance to Employees	-
	Other Receivable	0.85
	<b>TOTAL</b>	<b>0.85</b>
<b>7</b>	<b><u>CURRENT TAX ASSETS</u></b>	
	Advance tax, MAT Credit Releivables & TDS/Refund Recivable (Net)	0.16
	<b>TOTAL</b>	<b>0.16</b>
<b>8</b>	<b><u>OTHER CURRENT ASSETS</u></b>	
	GST Balances	5.73
	Prepaid Expenses	2.60
	<b>TOTAL</b>	<b>8.33</b>
<b>9</b>	<b><u>EQUITY SHARE CAPITAL</u></b>	
	<b>Authorised Share Capital:</b>	
	25000000 Equity share of ₹ 10 each	2,500.00
		<b>2,500.00</b>
	<b>Issued, Subscribed and Paid Up:</b>	
	7700000 Equity share of ₹ 10 each fully paid up	770.00
	<b>TOTAL</b>	<b>770.00</b>
<b>a.</b>	<b>Terms and Rights attached to Equity Shares</b>	

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 reporting period :

At the beginning of the Period (Nos.)

Add: Shares Issued During the period (Nos.)

Outstanding at the end of the period (Nos.)

77,00,000

77,00,000

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

Name of the Shareholder      Percentage of Holding

1. Sangam (India) Limited      (100%)

**TOTAL**No. of Shares

77,00,000

77,00,000

## d. Promoter Group Shareholding:

Name of the Shareholder      Percentage of Holding

1. Sangam (India) Limited      (100%)

**TOTAL**No. of Shares

77,00,000

77,00,000

10 OTHER EQUITY

(Rs in Lacs)

**Retained Earnings**

Balances at the beginning of the period

Add: Profit/ (Loss) for the period

Less: Appropriations

(27.75)

Transferred to General Reserve

0.00

**Balance at the end of the period**

(27.75)

**Other Comprehensive Income**

Balances at the beginning of the period

Addition during the period

0.00

**Balance at the end of the period**

0.00

0.00

**TOTAL**

(27.75)

SANGAM VENTURES LIMITED

11 TRADE PAYABLES

(A) Total outstanding dues of micro enterprises and small enterprises

0.02

(B) Total outstanding dues of creditors other than micro enterprises and small enterprises

2.30

**TOTAL**

2.32

Ageing Schedule of Trade Payable**MSME**

Less than 1 year- Undisputed

0.02

**Other than MSME**

Less than 1 year- Undisputed

2.30

1-2 years -Undisputed

2-3 years -Undisputed

More than 3 Years - Disputed

**Total**

2.32





**SANGAM VENTURES LIMITED**

	(Rs in Lacs)
<b>12 OTHER FINANCIAL LIABILITIES</b>	
Liabilities for Expenses	198.03
<b>TOTAL</b>	<b>198.03</b>
12.1 Payable to holding company towards expenses made on behalf of company	
<b>13 OTHER CURRENT LIABILITIES</b>	
Advance from Customers	406.54
Statutory Dues	0.50
<b>TOTAL</b>	<b>407.04</b>
<b>14 FINANCE COSTS</b>	
Interest Expenses	0.02
<b>TOTAL</b>	<b>0.02</b>
<b>15 OTHER EXPENSES</b>	
<b>Administrative Expenses</b>	
Rent	1.73
Rates & Taxes	0.002
Payments to Auditors : Statutory Audit Fees	0.28
Software Maintenance Expenses	0.85
Legal & Professional Fees	0.06
Miscellaneous Expenses	0.13
Preliminary Expenses	24.68
<b>TOTAL</b>	<b>27.73</b>
<b>16 EARNINGS PER SHARE (EPS)</b>	
i) Net Profit/ (Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs in Lacs)	(27.75)
ii) Weighted Average number of equity shares used as denominator for calculating EPS (Nos.)	77,00,000
iii) Basic and Diluted Earning per share (In ₹)	(0.36)
iv) Face Value per equity share (In ₹)	10.00



**17. 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 (Managing Director)  
Shri Anurag Soni (Director)

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

**B. Disclosure of related party transactions:**

Sr.no.	Nature of transaction/relationship/major parties	Relationship	Amount Rs in Lacs	
			2021-22	Amount
1	Rent paid			
	M/s Sangam (India) Limited	Holding Company		1.73

**C. Amount due to/from related parties:**

Sr.no.	Nature of transaction/relationship/major parties	Relationship	2021-22	
			Amount	
1	Trade Payable			
	M/s Sangam (India) Limited	Holding Company		406.54

**18. CONTINGENT LIABILITIES AND COMMITMENTS**

There are no contingent liabilities as at the year end.

**19. SEGMENT INFORMATION**

**Operating Segment**

Based on the management approach as defined in IND AS 108 – Operating Segments, the Chief Operating Decision Maker ("CODM") evaluates the company's performance and allocates resources based on an analysis of various indicators of business segment/s in which the company operates. The Company is primarily engaged in the business of textile manufacturing which the management and CODM recognise as the sole business segment. Hence disclosure of segment-wise information is not required and accordingly not provided.





The other applicable information applicable where there is only one segment as required in accordance with IND AS 108 – Operating Segments, are as under:

- a. The company does not have the information in respect of the revenues from external customers for each product and service, or each group of similar products and services, and the cost to develop such system will be highly excessive. Accordingly, such information is not disclosed as allowed by para 32 of IND AS 108.

		Amount Rs in Lacs
<b>b. Revenues</b>		<b>2021-22</b>
Domestic		-
Export		-
<b>TOTAL</b>		-

- c. The company does not have any major single customers / group of external customer having 10% of its revenue. Because Company incorporation on dated 03.12.2021.

## 20. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT:

### Fair value measurements Hierarchy

		Amount Rs in Lacs		
		As at 31 <sup>st</sup> March, 2022		
Particulars	Carrying Amount	Level 1	Level 2	Level 3
<b>Financial Assets:</b>				
<b>At Amortized Cost</b>				
Other non-current financial assets	534.60	534.60	-	-
Trade receivables	-	-	-	-
Cash and cash equivalents	103.89	103.89	-	-
Bank balances other than above	-	-	-	-
Other current financial assets	0.85	0.85	-	-
<b>Financial Liabilities</b>				
<b>At Amortized Cost</b>				
Trade payables	2.32	2.32	-	-
Borrowings	-	-	-	-
Other current financial liabilities	198.03	198.03	-	-

**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 ₹ - Nil (31st March 2021 – Nil).**

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 Rs in Lacs

Particulars	Carrying Amount	Contractual cash flows			
	31 <sup>st</sup> March,2022	Total	Within 1 Year	1-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>					
Borrowings	-	-	-	-	-
Short term borrowings	-	-	-	-	-
Trade payables	2.32	2.32	2.32	-	-
Other current financial liabilities	198.03	198.03	198.03	-	-
<b>Total non-derivative liabilities</b>	<b>200.35</b>	<b>200.35</b>	<b>200.35</b>	-	-

**21. PREPARATION OF FINANCIAL STATEMENT OF GOING CONCERN BASIS**

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

**22. TREATMENT OF OPERATING LEASES**

The Company is incorporated at 03.12.2021

**23. Disclosures as per amendments in Schedule III of Companies Act, 2013 with notification issued on 24th March 2021**

Information required against additional disclosures as per amendments in Schedule III of Companies Act, 2013 with respect to below mentioned clauses is "NIL"

- Title deeds of Immovable Property not held in name of the Company (Para a(ii)(XIII)(Y)(i))
- Revaluation of Property, Plant & Equipment (Para a(ii)(XIII)(Y)(ii))
- Loan & Advance made to promoters, directors, KMPs and other related parties (Para a(ii)(XIII)(Y)(iii))
- Intangible Assets under development (Para a(ii)(XIII)(Y)(v))
- Details of Benami property held (Para a(ii)(XIII)(Y)(vi))





- f. Willful Defaulter (Para a(ii)(XIII)(Y)(viii))
- g. Relationship with struck of Companies (Para a(ii)(XIII)(Y)(ix))
- h. Compliance with number of layers of companies (Para a(ii)(XIII)(Y)(xi))
- i. Compliance with approved Scheme(s) of Arrangements (Para a(ii)(XIII)(Y)(xiii))
- j. Utilization of Borrowed funds and share premium (Para a(ii)(XIII)(Y)(xiv))
- k. Undisclosed Income (Para a(iii)(ix))
- l. Details of Crypto Currency or Virtual Currency (Para a(iii)(xi))

#### 24. Ratio Analysis and Its Elements

S.no.	Ratio	Basis of calculation	31.3.2022		Comment (If more than 25% decline as compared to previous year)
1	Current Ratio	Current Assets	113.23	0.19	This is the first year of operation of the company
		Current Liabilities	607.39		
2	Debt-Equity Ratio	Total Liabilities	607.39	0.82	
		Total Shareholders' Equity	742.25		
3	Return on Equity Ratio	PAT	-27.75	-3.74%	
		Average Shareholders' Equity	742.25		
4	Return on Capital employed	EBIT	-27.73	-3.74%	
		Capital Employed	742.25		

#### 25. The Code on Social Security, 2020

The Code on Social Security, 2020 ('code') relating to employee benefits, during employment and post-employment, received Presidential assent on September 28, 2020. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders. The Company will assess the impact on its financial statements in the period in which the related rules to determine the financial impact are notified and the Code becomes effective.



**26. Transactions with/as intermediaries**

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons(s) or entity (ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

**28. Approval of financial Statements**

The Financial Statements were approved for issue by the Board of Directors on 30th May, 2022.

**As per our report of even date**

For: O.P. Dad & Co.

Chartered Accountants

(Firm Registration No. 002330C)



**(Abhishek Dad)**

Partner

Membership No. 409237



Place: Bhilwara

Date: 30th May, 2022

**For and on behalf of the Board**



**(V.K. Sodani)**

Managing

Director

(DIN 00403740)



**(Anurag Soni)**

Director

(DIN 03407094)

