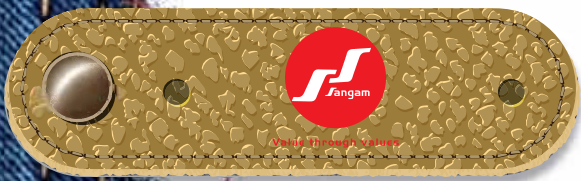


Waste &
Substance

Sangam (India) Limited

ANNUAL REPORT 2012-13













Sangam

Group of Companies

Forward-Looking Statements

The report contains forward-looking statements that involve risks and uncertainties. When used in this discussion, the words like 'plans', 'expects', 'anticipates', 'believes', 'intends', 'estimates', or other similar expressions as they relate to Company or its business are intended to identify such forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company's actual results, performance or achievements could differ materially from those expressed or implied in such forward-looking statements. The Company undertakes no obligation or responsibility to publicly amend, update, modify or revise any forward-looking statements, on the basis of any new information, future event, subsequent development or otherwise.

How to *Navigate* this *Annual Report*?

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Sharp cuts & Custom fits (about us)	4-5	
Wrinkled shirts & Faded denims (we continued to overcome challenges in 2012-13)	6-7	
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Style

is the substance
of the subject
called unceasingly
to the surface.

- Victor Hugo

Style & Substance

AT SANGAM, WE HAVE
TAKEN GREAT PRIDE
IN CONSISTENTLY
DELIVERING PRODUCTS
THAT EPITOMIZE STYLE.

This is where the story begins... Continuous improvement in everything we do is at the heart of our approach to attain sustainable growth. We continue to work hard and attend to the minutest detail across our units to offer unmatched customer experience, both in terms of product quality and affordability. In doing so, we have not only successfully managed to overcome our share of external as well as internal challenges; but more so, expanded our presence across the value chain - from yarn to branded garments to retail. And this is where the story gets even more interesting...

With the Indian textiles sector still reeling under the pressures of high inputs cost, capacity stagnation, growing competition and pricing limitations, we continued to strive through challenges. Our dedicated efforts towards brand building, cost controls and widening the product range have kept us afloat, even during the toughest of times. We have further utilised this downturn to consolidate our operations further and focus on the core business. In the process, we have not only managed to outperform in terms of financial performance, but also have fortified our foundation to embark on the next phase of growth. More importantly successfully adapted to the changing trends to keep our stakeholders stylish.

Because, as always, good style also needs great substance.



Sharp cuts Custom fits



WHAT YOU NEED TO KNOW ABOUT US.



Three decades young

established in 1984

Among the leading players in Indian textiles sector

presence in PV (polyester viscose) dyed yarn and fabrics; market leader in PV dyed yarn with 25% share

Flagship company of ₹ 4000 crore Sangam Group

diverse business interests across textiles, steel, infrastructure, power and energy sectors

Led by Mr. RP Soni, Chairman & first generation entrepreneur

backed by 7000+ employees across four locations

Fully integrated product portfolio from fiber to fitting

- Yarns - PV and Cotton
- Texturized yarn
- Woven fabrics
- Branded suiting
- Denim fabric
- Wind power



Capacities

Division	Production Capacity
Spinning (Ring Spinning)	201216 Spindles / 55000 MT p.a.
Spinning (Open End)	3904 Rotors/17000 MT p.a.
Synthetic Fabric	18 Million Meter p.a.
Denim Fabric	32 Million Meter p.a.
Fabric Processing	53 Million Meter p.a.
Knitted Fabric	18 Machines /3000 MT p.a.
Texturized Yarn	7200 MT p.a.
Thermal & Wind Power	36 MW

Where can you find us?

Corporate office	Registered office	Manufacturing facilities
Mumbai, Maharashtra	Atun, Bhilwara, Rajasthan	Biliya Kalan, Bhilwara, Rajasthan
		Sareri, Bhilwara, Rajasthan
		Atun, Bhilwara, Rajasthan



Public listed

National Stock Exchange (Scrip code - SANGAMIND) and the Bombay Stock Exchange (Scrip code - 514234)

wrinkled shirt faded denims

WE CONTINUED TO OVERCOME CHALLENGES IN 2012-13

What kept us busy during the year?

- Total yarn production increased by **14.32** percent to **61,430** tonnes in 2012-13, from **53,735** tonnes in 2011-12
- Total fabrics production increased by **32.06** percent to **55.06** mn meters in 2012-13, as against **41.70** mn meters in 2011-12
- Signed renowned actor Mr. Ajay Devgan as the new brand ambassador for Sangam Suitings
- While the revenues from textiles division increased by **15** percent; the income from toll receipts dipped by **58** percent.

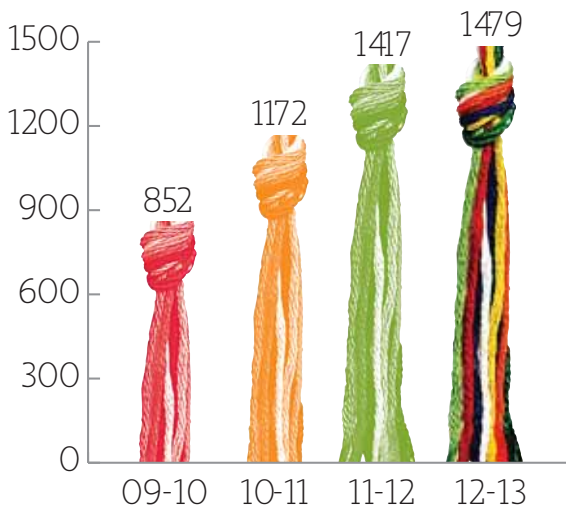
What did we achieve in 2012-13 over 2011-12?

- Net revenues up by **4.4** percent to **₹ 1479** crore
- EBIDTA up by **38.4** percent to **₹ 214** crore
- Net profit up by **200** percent to **₹ 51** crore
- EBIDTA margin up **357** bps to **14.5** percent
- Net profit margin up **226** bps to **3.5** per cent
- Earnings per share up **200** percent to **₹ 13**

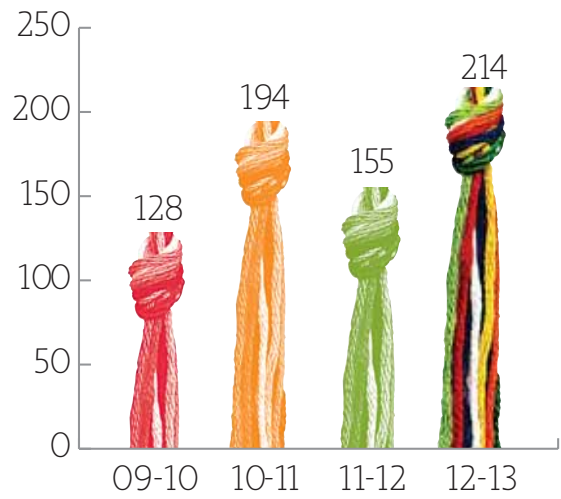
Measures & Memories

NUMBERS THAT MATTER

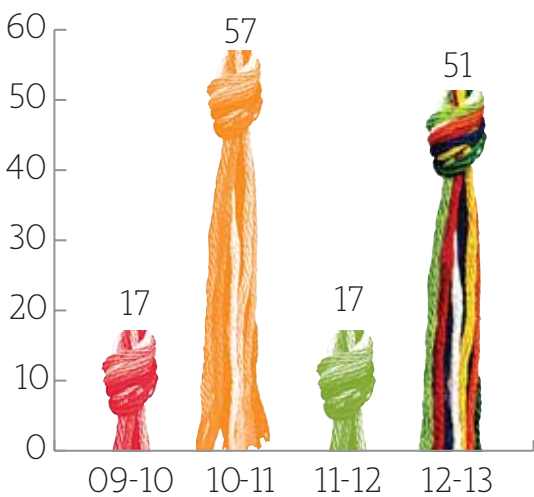
NET TURNOVER (₹ in crore)



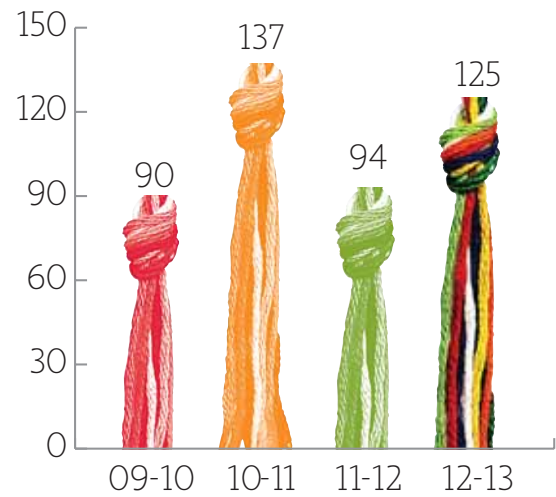
EBIDTA (₹ in crore)



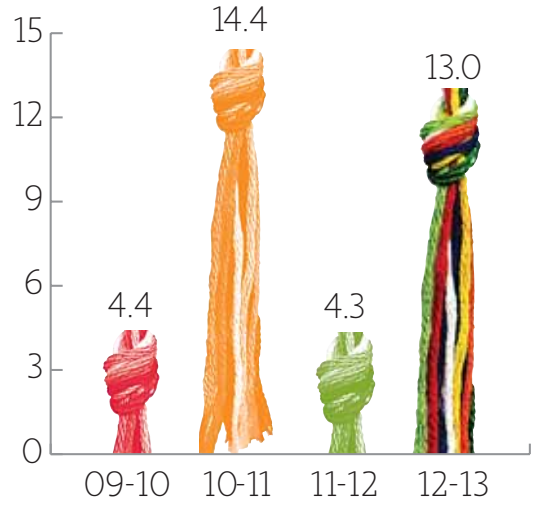
NET PROFIT (₹ in crore)



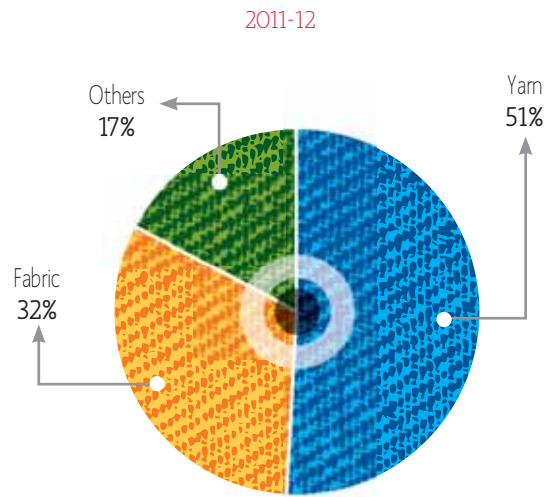
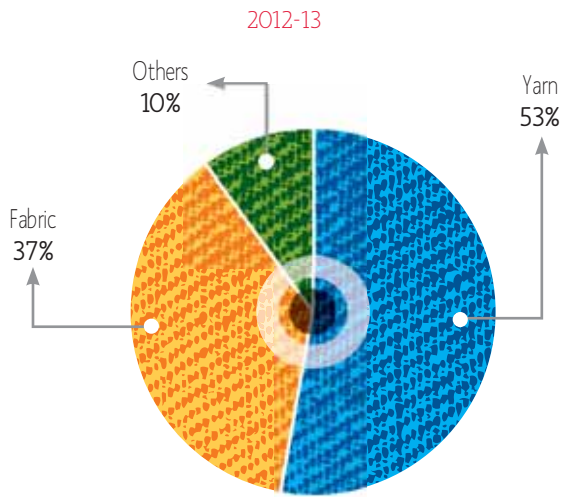
CASH PROFIT (₹ in crore)



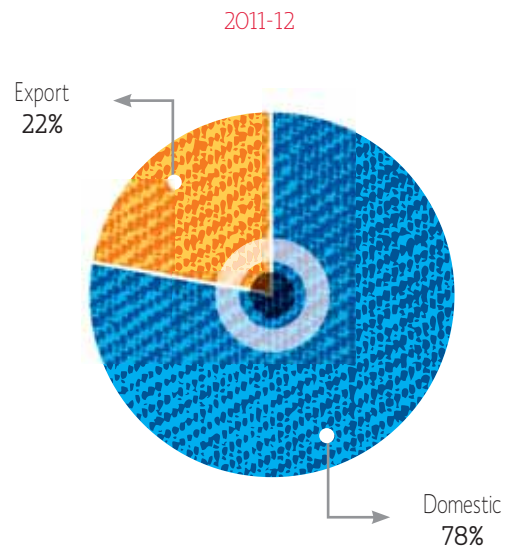
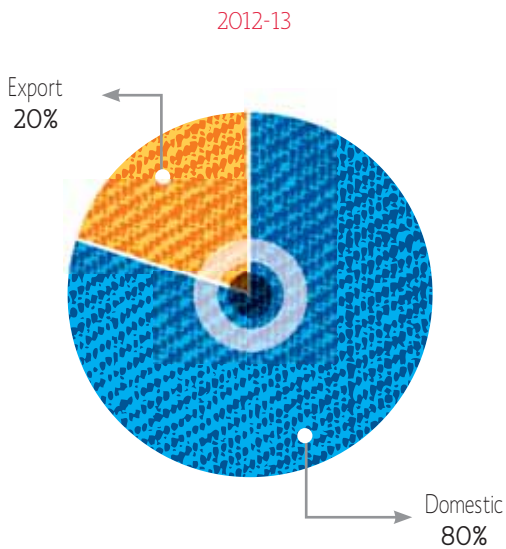
EARNING PER SHARE (₹)



PRODUCT-WISE REVENUES



GEOGRAPHY-WISE REVENUES





SHRI RP SONI REVIEWS THE PERFORMANCE OF THE PAST YEAR
AND SHARES HIS INSIGHTS ON SANGAM'S FUTURE PLANS

BEING A LEADING TEXTILES PLAYER IN THE COUNTRY, WE UNDERSTAND THE IMPORTANCE OF PRESSURE. IT DOES WONDERFUL THINGS INDEED! THE MORE THE CLOTH GETS STRETCHED, THE MORE ADAPTABLE AND DURABLE IT BECOMES. THE ART IS HOWEVER, TO UNDERSTAND WHAT AMOUNT OF PRESSURE CAN BE BENEFICIAL TO THE CLOTH AND WHAT AMOUNT CAN MAKE IS UNUSABLE. THIS IS THE FINE LINE WE HAVE SUCCESSFULLY WALKED DURING 2012-13. POST THE DISMAL PERFORMANCE POSTED DURING 2011-12, ALBEIT DUE TO UNCONTROLLABLE FACTORS; WE DECIDED TO NOT CHALLENGE BUT ADAPT TO THE NEW NORMAL.

The world has changed quite a lot in the past five years. The volatility in the energy prices coupled with economic, social and political turbulence have become more frequent. The leading economies have lost steam and India has wavered off completely from its 8+ percent growth rate to record the lowest GDP growth rate in past nine years. However, all is not lost. India continues to remain among the youngest nations in the world. A blend of youth, aspirations, employment and dipping savings rate is transforming the country everyday. To dress well is no longer a luxury but a necessity. Faster replacement cycle is clearly visible in every wardrobe owing to changing trends and higher incomes. However, with rising uncertainties and larger middle class, the demand for PV garments is expected to sustain, sans hiccups. However, the new normal calls for newer measures to thrive in such environment.

With the Indian economy slowing down, as it did in the past couple of years; the aim for every relevant business has shifted from value-multiplication towards responsible value creation. This surely means that the growth rates would not shoot off the roof as an anomaly; but would continue to tread a charted path. We at Sangam India chose to pursue high-value business rather than large volume business. We also recalibrated our business focus towards our core - textiles sector and exited the infrastructure business. However, we would continue to execute the infrastructure projects, mainly roads as a part of our Group operations. We also rationalised our costs to a great extent as a dedicated mission across our units thereby retaining our focus to emerge as a leaner organisation offering a quality product portfolio to cater to a large aspiring population.

When hard work translates into tangible results, that itself is a proof of treading the right path. In 2012-13 we have registered satisfying numbers. Our revenues improved by 4.4 percent despite a dip of 58 percent in the income from toll receipts. The realisation in the denim and PV yarn segment coupled with improved margins in textured yarns and fabrics have helped boost our top line. In our continuous pursuit towards sustainable growth, we have focused on creating a research-led organisation. Our ability to spot, decipher and replicate the latest trends, styles and customer expectations; thereby developing products based on the inputs and quickly penetrating the markets have enabled us to improve our leadership in key segments. At the same time, our research instincts within the organisation have enabled us streamline processes, eliminate wastages and yet initiate quality

benchmarking and improvements across our divisions. Our timely investments in expansion and debottlenecking the capacities have enabled us to capitalise upon the rising demand for our products, especially in wake of higher cotton prices and inherent demographic advantage in India. Our margins also improved during the year, which not only uplifted our spirits but helped us to meet our stakeholders' expectations.

In 2012-13, we continued to strengthen our brand. We have signed renowned actor Mr. Ajay Devgan as a brand ambassador for our Suitings and we believe that the partnership will help us capture better recall for our products in the minds of our existing and prospective customers. On the other hand, we undertook dedicated marketing initiatives for our denim products, by reaching out and sensitising large number of dealers across India upon the

large opportunity and Sangam Denims' value proposition. We continue to receive heartening response for our products and would continue to further expand our horizon to cover larger share.

We remain confident that the impact of the measures taken over the years would translate into numbers going forward. I would like to thank each and every stakeholder of the company for supporting us and believing in our credentials. Our focus is unwavering. Our commitment is unfaltering. Our future is exciting. And we trust our style.

RP Soni,
Chairman



RP Soni, *Chairman*



EVOLVING FROM A YARN PRODUCER TO
AN AFFORDABLE BRANDED GARMENTS PLAYER



The journey to create a sustainable business model often commences with asking the most basic of all questions: will customers need our products?

At Sangam, while our products are not only intrinsic to man's existence; their demand in the past decade has also been influenced by rising income and lifestyle changes.

- A sharp increase in per capita income.
- An increased need to look more fashionable.
- An evolution towards specialized finishes resulting in value-added fabrics.
- An increased priority in matching different clothes for different days, places and moods.
- A continuous shift in preference from unbranded to branded apparels coupled with faster replacement cycles.

At Sangam India, we are well equipped to capture the full value arising from this transition. Through our presence at every point in the manufacturing value chain- from the manufacture of PV yarn to blended yarn to fabric (processed) to branded apparels.

As we complete our three successful and memorable decades in Indian textiles sector, we continue to take fresh strides. We continue to go back to the basics - asking relevant questions that matter.



Fashion & Junction

CAN WE OFFER TOMORROW'S
TRENDS AT YESTERDAY'S PRICE?





We at Sangam India have always believed in establishing a trend rather than following an established trend.

This has enabled us mould our business model to suit our size, our customers and the geographies we operate in. A high degree of customization has also enabled us to create an affordable fusion of fashion and function, which epitomizes the spirit of our customers. In the past five years, we undertook the following initiatives:

- Having anticipated the “great Indian consumption story”, we were amongst the first in the industry to ensure sustained investments in building capacities since 2005
- To mitigate any adverse impact on the Company’s finances; we followed a ‘phased expansion’ strategy - by creating capacities in volume-led PV yarn business first and then sweating it out to invest in value-driven business such as readymade garments and denims
- The ready capacities provided us an edge to capitalize on the market demand faster while the scale enabled us stem the erosion in margins despite rising input costs
- We continuously invested in debottlenecking existing capacities at incremental cost in various processes, thereby enhancing process cost efficiencies.
- We focused on automation, thereby reducing manual labour, shortening turnaround time across our units and at the same time reducing long-term process cost.

Label & Loyalty

CAN OUR CUSTOMERS SPEAK FOR OUR PRODUCTS
WHILE OUR PRODUCTS SPEAK FOR THEMSELVES?





At Sangam, we believe that brand endures only if quality sustains.

Therefore, we had always focused on delivering world-class quality across our product range. This single-minded effort put consistently over the past three decades have culminated into a strong relationship with all our clients. With the commencement of fabric production in 1985, we extended into serious brand building efforts.

- We chose to foray into the branded garments segment with Suitings and Denims, with key value proposition of affordable style. In the past three years, we have gained a respectable market share in both these segments based on our premium products and wide dealer network spread pan-India.
- To satiate the growing demand for denim, we expanded our capacities to 32 mn meters p.a. to emerge as seventh largest player in the second fastest growing and populous economies globally.
- We refreshed our branding strategy by signing Mr. Ajay Devgan as the new brand ambassador for our Suitings range, thereby improving our brand recall amidst value-conscious classy customers.
- Most importantly, we continued to invest into world-class machines and processes, which not only resulted in lower controllable costs but also enabled us to offer superior quality of yarns, fabrics and garments to our clients consistently.

Aspiration & Access

CAN WE EMPOWER ASPIRATIONS AND
ASPIRE TO EMPOWER AT THE SAME TIME?



We at Sangam believe that a Corporate is simply an extension of the society and therefore has to lead the society's progress and welfare.

Therefore we strive harder to maintain a balance between our corporate aspirations and social and environmental motives. We actively pursue the philosophy of promoting inclusion - be it in terms of empowering our employees or in terms of sponsoring talents to realising their dreams.

- We support education actively and therefore extended our focus towards promoting value-based education by establishing Sangam University in city of Bhilwara, Rajasthan. Our engineering and management institute has churned up over 15,000 students.
- We have established and manage a state-of-the-art hospital which has the best-in-the-region facilities in primary, diagnostic and tertiary healthcare. The hospital has 100 beds and is served by a highly experienced and motivated team of doctors and support staff.
- Being an environment-conscious company, we regularly organizing green initiatives across Bhilwara, spreading awareness about ecosystem preservation and energy conservation.



Management Discussion & Analysis

ECONOMIC OVERVIEW

Global

2012-13 continued to be tough year for the global economy. In 2012, the estimated global GDP growth hovered around 3%, largely on account of decent performance by emerging and developing economies. US economy is expected to grow ~2% in 2012 largely on account of Federal Reserve's policy of quantitative easing. At the same time, Euro zone continued to struggle. While Germany and UK economies performed modestly; other big economies such as France, Spain and Italy continued to grapple with overleveraged economies in an underperforming environment.

Despite slowing down on account of withering domestic growth and infrastructure investments, India and China continued to rank among the fastest growing economies globally. While China devalued its growth estimates on account of slowdown in infrastructure spending; India continued to grapple with policy delays and high inflation rates, thereby registering curtailed spends from corporates as well as the largest middle-income group in the world.



Indian

Being an economy that is largely driven by indigenous consumption; lower disposable income of large population had a direct bearing on its growth. In 2012-13, India continued to slide in terms of economic performance, registering an estimated GDP growth of around 5% - its lowest in the past decade. This was largely on account of sharp slowdown in investments, delays in policy decisions and weaker consumption from the burgeoning middle class owing to high inflation. The Reserve Bank of India, in its efforts to instigate the economy, reduced repo rates by 25 bps each on two occasions during 2012-13. In addition, the government took steps like raising diesel prices and introducing cap on subsidized LPG, to arrest growing current account deficit. At the same time, with high rates of interest and policy roadblocks, the capital investments remained lukewarm thereby further impacting the prospects of generating improved growth rates in the coming years.

TEXTILE INDUSTRY OVERVIEW

Global

The textile and apparel trade was estimated to be USD 662 billion in 2011 and is expected to grow at a CAGR of 5% in the next 10 years. The EU, US, China, Japan and India are the biggest markets for apparel, but apparel production is primarily concentrated in China, India, Bangladesh, Vietnam and Turkey. The Current global fiber mix is 41% natural and 59% man-made fiber (MMF). Demand for MMF yarns has witnessed a faster growth as compared to the

demand for natural fiber yarns on account of affordability, better finishes and faster replacement cycles of clothes.

The global fabric trade was estimated to be USD 74 billion in 2011 while the global apparel trade was estimated to be USD 389 billion. Knit fabric and apparel are performing better than their woven counterparts in global trade. Asian countries like China, India, Pakistan, Bangladesh, Thailand, and Indonesia are among the leading countries in terms of installed machinery capacity. China alone has a share of around 45% of world's total installed capacity for spinning and weaving machinery.

Indian

India's textiles and clothing industry is one of the mainstays of the national economy. It is also one of the largest contributing sectors of India's exports worldwide. The report of the Working Group constituted by the Planning Commission on boosting India's manufacturing exports during 12th Five Year Plan (2012-17), envisages India's exports of Textiles and Clothing at USD 64.41 billion by the end of March, 2017. The textiles industry accounts for 14% of industrial production, which is 4% of GDP; employs 45 million people and accounts for nearly 11% share of the country's total exports basket.

Key facts

- The Indian textile and apparel market size was estimated to be USD 58 billion in 2011 and is projected to grow at 9% CAGR to USD 141 billion by 2021
- Menswear contributes 43% of the Indian market; however,



Management Discussion & Analysis
(Contd.)

this contribution is expected to drop to 40% by 2021 due to faster growth of womenswear and kidswear.

- The domestic home textile market is growing at a CAGR of 8% and is projected to reach USD 9 billion in 2021.
- The technical textiles market of India is estimated to be USD 14 billion and is expected to reach USD 34 billion by 2021, at a CAGR of 10%.
- Employment in the Indian textile and apparel sector stands at 45 million and with an additional employment of 60 million in allied sector, total employment figure stands at 105 million.

Changing Trends in the Consumption Pattern in India

- The consumer wardrobe has changed from only 'need-based clothing' to 'occasion specific dressing' and is gradually becoming more 'detail oriented'.
- Women shoppers are gaining more importance with their higher spending power and requirement of specific clothing for different purposes.
- The growth of apparel e-tailing is fuelled by the changing lifestyles of domestic consumers and increasing penetration of technology.

India is one of the few countries with presence across the entire

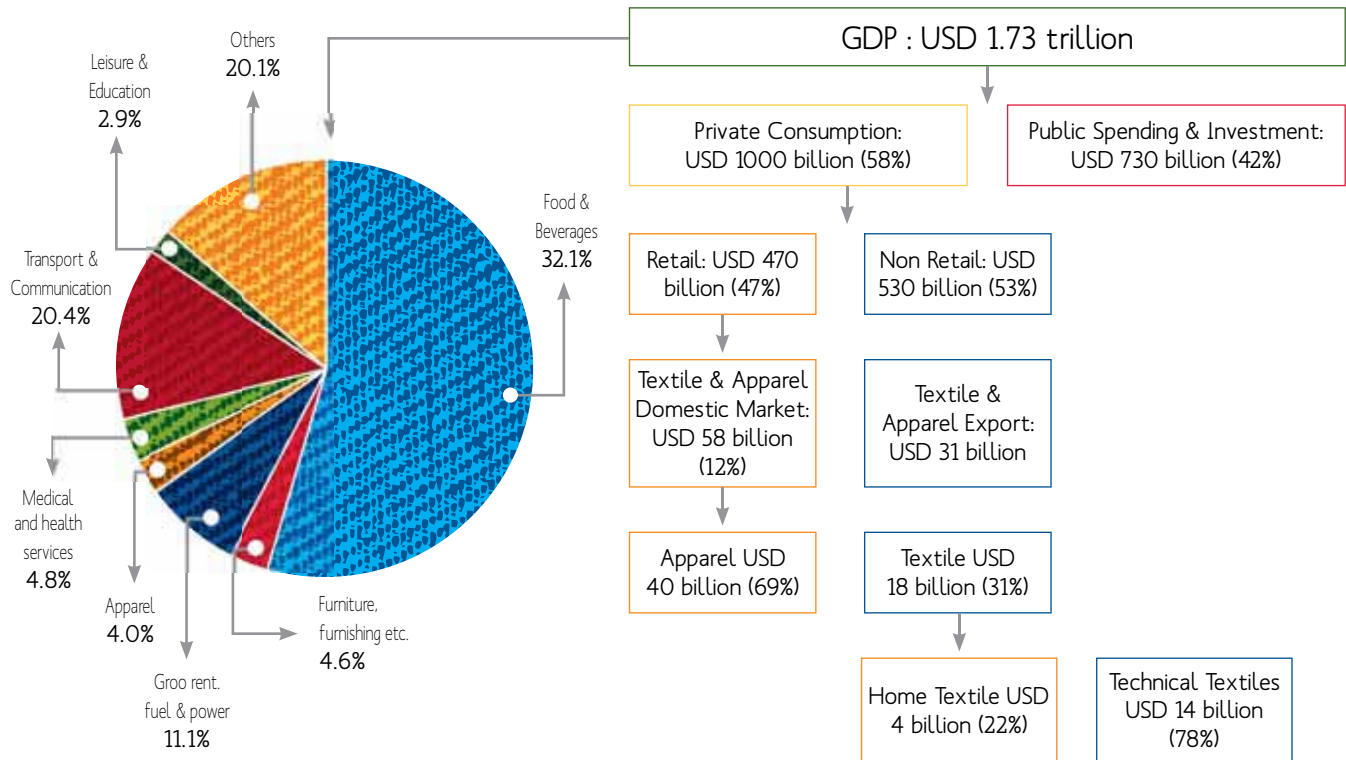
value chain of the textile and apparel industry. The country's share in cotton fiber is 15% (ranked 2nd globally); 9% in yarn (2nd globally), 18% in fabric (2nd globally) and 13% in garments (2nd again) of the total global production.

PERFORMANCE IN 2012-13

The most significant change in the Indian textile industry has been the advent of man-made fibres (MMF). India has successfully placed its innovative range of MMF textiles in almost all the countries across the globe. Man-made fibre production recorded an increase of 2 percent during the year 2012-13. Cotton yarn production increased by about 15 percent during March 2013 and by about 14 percent during the year 2012-13. Blended and 100 percent non-cotton yarn production increased by 10 percent during March 2013 and production increased by 3 percent during the year 2012-13. The total cloth production grew by 1 percent during March 2013 and by 4 percent during year 2012-13. Cloth production by mill sector registered a growth of 19 percent during year 2012- 13.

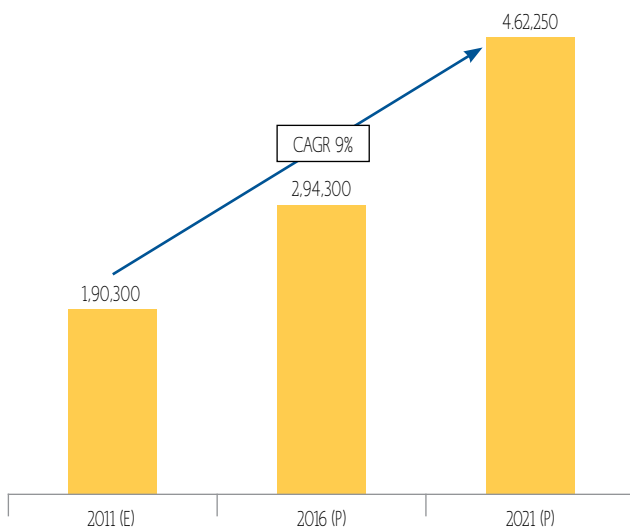
The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted foreign direct investments (FDI) worth US\$ 1.04 billion during April 2000 to February 2013.

APPARELS - A NEW GROWTH STORY



India's total textile and apparel industry size (Domestic + Exports) was estimated to be USD 89 billion in 2011 and is projected to grow at a CAGR of 9.5% to reach USD 223 billion by 2021. While the current domestic textile and apparel market is worth USD 58 billion and is expected to grow at 9% annually to reach USD 141 billion by 2021.

TOTAL APPAREL MARKET INR (Cr)



Currently, menswear (At ₹ 81,000 crore) is the biggest segment of the apparel market, however, kidswear and womenswear are growing faster at 10% CAGR and 9% CAGR respectively than men's segments (CAGR of 8%). Kidswear (Girls) has the highest growth rate at 11% CAGR.

Key growth drivers

- * Increase in household income
- * Fall in average age of consumers
- * Rising aspirations and increasing preference for brands
- * Expansion of modern retail

DENIM SEGMENT - A KEY GROWTH DRIVER

While globally, denim is a \$57 billion industry growing at a compounded annual growth rate of 3-5%, the Indian market is quite small at ₹ 7,700 crore. This is projected to grow at the CAGR of 15-18% and has the potential of almost doubling its size by 2015. In terms of volumes the denim market is estimated at ~ 300 mn pairs of jeans which is projected to grow to 550 - 600 Million pairs by 2015. While else wherein the world, Denim started as a work wear apparel - The Denim story in India started as the youth story, which found denim wear to be fashionable, comfortable to wear to most occasions and gave the necessary style quotient.

While an American owns an average of eight pairs of jeans, an

Indian has just a fraction, at 0.35, with even a Chinese national ahead with one pair of jeans bought every year.

73% of India's population is young with a median age of 26. Even after 10 years, the median age will only get to 29 years. The target population of Denim wear has been 14 to 39 years, which will be the majority of the population in the next 10 years. This is one of the primary reasons why most brands today, have a reasonably large portion of Denim in their offering to the consumer.

The denim market is witnessing both value and volume growth. While the mid-value segment is driving volume growth, the value growth is due to increased demand in enhanced product attributes- fashion quotient, stretch and lightweight fabric, styling and detailing. Today, it is the fastest growing apparel segment in India, with the growth estimates expected to clock between 15-18% range for 2011-21.

The current denim market is largely skewed towards men's segment, which can be taken as about 80% of the total market. The women's wear market is projected to grow faster here onwards and will potentially account for about more than 25% of the total market by 2015. Currently the larger cities and the metros together contribute nearly 57% of the total market.

Cotton Industry

Cotton accounts for more than 75% of the total fibre consumption in the spinning mills and more than 54% of the total fibre consumption in the textile sector. Acreage under cotton cultivation during 2012-13 was largely stagnated around previous year's 121.91 lakh hectares on account of incessant rains and higher inflation.

India's global market share in cotton textiles industry has increased to four percent in 2012 from three percent in 2002 due to greater competitiveness. As per estimates of Texprocil. It is, however, much below China's share of over 30 percent. India's exports in 2012-13 were worth \$32 billion. A more competitive Indian industry, with adequate Government support, could double exports within three years and create crores of jobs, the report said. Interestingly, depreciation in the value of the rupee in the last 10 years against the dollar played a significant role in adding to India's competitiveness against China as the yuan appreciated against the dollar in the same period.

MMF Industry

India is fifth largest producer of synthetic fiber and yarn in the world. Polyester, nylon, acrylic and polypropylene are the major synthetic fibers. Viscose, which is cellulosic fiber, is also included in the man-made fibres basket. MMF has beaten cotton in global



textile trade, constituting 68% of it. But India accounts for only 3% of the global manmade textile exports as cotton dominates the Indian textile industry.

A recent industry research report says that factors like rise in disposable income, growing consumer class, rising urbanization, increasing retail penetration and limited supply of cotton is set to increase the consumption of man-made fibres (MMFs) like polyester and viscose in India at a compounded annual growth rate of 5.2 percent till 2015-16.

MMF and cotton based fabric consumption ratio in the domestic market is 40:60. Globally, the share of MMF is about 65 percent. However, with limited supply of cotton and price advantage, the

market for MMFs like polyester, viscose and blended fabrics is gradually rising in the domestic market also.

During 2012-13, MMF fabrics registered an increase in prices in the range of two to five percent due to an increase in raw material prices of Purified Terephthalic Acid (PTA) and Mono-Ethylene Glycol (MEG) while cotton prices declined by 14 percent. However, the actual production of MMF in India has decreased to 9.34 percent in 2012-13 compared to the last year. The total production of filament fabrics was 2058 crore square meters in 2011-12 against 1,864 crore square meters in 2012-13. The demand of MMF remained subdued in FY13 and registered a decline by 7 percent on a YoY basis due to overall slowdown in the economy

and the industrial output. The wider gap between prices of cotton compared to MMF in FY13 led to availability of cotton at cheaper price which also led to slow down in MMF demand to some extent.

Polyester dominates the MMF sector with 67% share in the fiber capacity and 94% share in the yarn capacity, followed by viscose, which has 24% share in the fibers capacity and 3% share in yarn capacity. While globally per capita consumption of man-made fibre is around 12 kg, in India it is 3.5 kg per annum.

Union Budget 2012-13

This budget provides support for technology upgradation, tackling pollution and boosting competitiveness to the Indian textile sector. Key budgetary support schemes presented in the new Indian budget are:

1. Continuation of the Technology Upgradation Fund (TUF) Scheme;
- 2) Scheme for Integrated Textile Parks (SITP);
- 3) Reduction in the base custom duty for imported textile machinery and parts from 7.5% to 5.0%;
- 4) Extending optional route for central excise duty for the fibers to finished goods value-chain.

COMPANY OVERVIEW

	Yarn	Fabric
Revenue share	PV Yarn - 42%	PV Fabric - 16%
	Cotton Yarn - 11%	Denim - 21%
Geographic presence (by revenue share)	Domestic - 76%	Domestic - 84%
	Exports - 24%	Exports - 16%
Market position	Has ~25% share in the Indian dyed PV yarn market, as indicated by the management	Highly fragmented industry with large number of unorganised players
Industry growth expectations (in volumes) for 2011-12 to 2016-17	Blended yarn - 5.5-6%	Domestic RMG segment: 7% CAGR
	Cotton Yarn - 5-5.5%	
End market	Synthetic and cotton fabric manufacturers	Synthetic garments and apparel manufacturers
Sales growth (CAGR 2009-10 to 2011-12)	PV Yarn - 15%	PV Fabric: 4%
	Cotton Yarn: -11% (due to higher internal consumption)	Denim: 100% (commenced operations in FY10)
	Total Yarn Sales: 11%	Total Fabric Sales CAGR: 29.7%
Demand drivers	Consumption by the domestic synthetic shirting and suiting segment	
	Favourable price competitiveness of PV yarn vis-a-vis cotton yarn	
	Shift in preference for apparels made from blended fabric rather than cotton fabric	
	Growing preference for denims as daily wear	
Margin drivers	Demand conditions	Cost of raw material
	Cost of raw material, PSF and VSF	Backward integration: Yarn produced in-house meets the entire requirement for denim fabric
	Cost of substitute, cotton yarn	
Key risks	Volatility in prices of PSF and VSF	Recent entrant in the branded fabric space; hence faces stiff competition from established brands
	High dependence on key vendors for PSF and VSF requirements	

Company overview

Sangam (India) Ltd (SIL) is the largest player in the dyed poly viscose (PV) yarn market in India. At Bhilwara in Rajasthan, the company operates its state-of-the-art facilities to produce synthetic and blended dyed/grey spun yarn, cotton yarn and fabrics (synthetics blended, denim and knitted fabrics). It also has facilities for fabric processing.

Manufacturing Capacity

Particulars	FY11	FY12	FY13
Installed Capacity (in spindles) at Biliya Kalan	96864	96864	96864
Installed Capacity (in spindles) at Sareri	97056	104352	104352
Fibre Dying capacity (In % of finished Production)	100%	100%	100%
Installed Capacity Rotors at Sareri	2464	4096	3904
Installed Capacity (in nos looms)	270	381	381
Power Plant (in MW) at Biliya Kalan	16	16	16
Power Plant (in MW) at Sareri	15	15	15
Wind mill (in MW) at Jaisalmer	5	5	5

Financial performance

Sangam registered a 4.4% increase in net revenues, from ₹ 1417 crore in 2011-12 to ₹ 1479 crore in 2012-13. The company reported a net profit of ₹ 51 crore, three times the previous year's net profit of ₹ 17 crore. The company's expanded capacities in denim coupled with higher realisations from the PV segment, led to an improvement of 38% in EBITDA, from ₹ 155 crore in 2011-12 to ₹ 214 crore in 2012-13. The margins also continued to improve with the impact of higher capacity and cost efficiency measures translating into numbers.

YARN DIVISION

- Locations: Biliya Kalan and Sareri, Bhilwara, Rajasthan
- Products: PV Yarn, PV-Dyed Yarn and Cotton Yarn
- Capacities: 96864 spindles in Biliya Kalan and 104352 spindles in Sareri
- Contributes 53 percent to the company's total revenue.

Rationale for presence

Sangam is the largest player in the Indian PV yarn market, commanding a share of 25%, and is the largest producer of blended dyed yarn in the country in a single location. Being the market leader, it is the price leader in certain counts such as 2/15s and 2/18s. Sangam is positioned to make the most of PV yarn's increasing presence in both Indian and global textile industry.

FABRICS DIVISIONS

P/V Fabrics

- Location: Atun, Bhilwara, Rajasthan
- Products: PV fabrics, processed fabrics
- Capacity: PV fabrics - 18 mn meters; Processed fabrics - 53 mn meters
- Contributes 16 percent to the total revenues of the company

Rationale for presence

Sangam started as fabric manufacturer and as backward integration, ventured into PV yarns manufacturing. Presently, the company has refocused on its fabrics business to scale up its operations for achieving the next level of growth. The company offers wide range of woven PV fabrics, used for Suitings and trousers. The fabric division offers exhaustive range of processes, which enable it, offer holistic solutions to its value-led as well as volume-led clients. This division also extended the company's presence in the readymade garments segment, as a further step in forward integration. The company also offers branded suiting fabrics apart from readymade suits.

Denim Fabric

- Unit: Biliya Kalan, Bhilwara, Rajasthan
- Products: Denim Fabric
- Capacity: 32 mn meters
- Contributes 21 percent to total revenues.

Rationale for presence

Being a garments company offering branded suits, the company also extended its presence in the affordable segment to cater to the same customers for casual dressing. Denim segment, being the fastest growing segment, offered the required strategic fit to our existing businesses - of Cotton & PV yarns and its ability to create diverse style fabrics. As a result, Sangam India ventured into denim fabric production in 2010 and then extended its presence to manufacturing and selling readymade denim wear under Sangam Denims brand from 2012 onwards. Today, the company ranks among the top seven denim manufacturers in the country.

STRENGTHS

Product range

Sangam has created a valuable reputation of being a preferred PV yarn supplier to global textile companies. The company offers a wide variety of yarns - from cotton to PV to textured. At the same time, the company has indigenously developed ability to





deliver large quantities with virtually any shade of colour. It has a colour bank of more than 5,000 shades and produces 6-50 counts of yarns. It offers single ply, double ply, grindle, roving grindle, core spun, slub and other fancy yarns, making it a one-stop shop for fabric manufacturers. The company has also partnered various brands to introduce new varieties of man-made fibres, adding considerable value to its products.

Quality

Sangam caters to the world's leading garments company who demand nothing less than the best in terms of quality. As a result, the company has invested in state of the art machines offering latest technology, and also uses the best grades of raw materials. A dedicated and fully equipped quality control department comprising of qualified quality personnel and strict processes continuously monitors the company's operations. Sangam's units are equipped with world-class and advanced quality testing equipment like Uster tester, evenness tester and hairiness tester - all of them ensure that the yarn produced is

free of neps and other faults like low strength, colour-fading, low strength, unevenness in colour, etc. Owing to its ability to offer consistent quality, the company's yarns command a premium at key markets. All its units are ISO 9001:2000 certified.

The company extends its beliefs and practices on quality to its fabrics division as well. In addition to stringent and continuous checks, the company conducts tests such as colour fastness test, light fastness test, rubbing fastness test, pilling test, residual shrinkage test, checking of cloth construction parameters and the comparison of the finished fabric with the customer's specifications; thereby ensuring a superior product at affordable price to its clients.

Research and development

Textile is a dynamic industry where the constant need of comfort, affordability and durability keeps evolving. Innovation is a central to Sangam's ability to keep pace with the latest trends in the global industry where product cycles are short and replacement cycles shorter. Sangam's research teams constantly try to develop new

and value-added products and introduce colour shades to suit the end use of its customers. Our units are equipped with world-class labs, advanced equipment and qualified professionals to ensure fast turnaround of new products.

Technology

Sangam's yarn-production units are equipped with latest machineries to ensure better capacity utilisation, greater flexibility, better quality and lower downtime, leading to greater efficiencies and lower production costs.

Raw material management

Sangam procures polyester from Reliance Industries Limited and viscose from Grasim Industries' unit at Nagda. The procurement process is backed by proper production planning based on the expected delivery schedules for each month.

The company meets the entire cotton yarn requirement for the denim fabric division through in-house production. The synthetic fabric division too largely acquire top class raw materials from sister-units. Sangam considers each of its units as a profit centre and all inter-unit sales are made on market prices. Fabric divisions are free to acquire raw materials from other manufacturers if they get better price coupled with the same quality. The unit is proximate to its major raw material sources, ensuring uninterrupted supply at competitive prices.

Cost control

Sangam has a real-time cost control system. The company continuously monitors its operations and takes proactive initiatives across its units towards improvement of operational efficiencies and reduction of avoidable costs (not at the cost of quality) thereby staying competitive and protecting its margins.

Marketing and selling

The company focused on improving the reach for its products across key consumption centers in India during 2012-13. The company undertook several initiatives at the dealer levels to establish and improve the brand recall for its Suitings and Denims among the retailers and wholesalers. The company also introduced a new face of 'Sangam Suitings' by signing Mr. Ajay Devgan, the renowned Indian actor as its brand ambassador during 2012-13.

INFORMATION & TECHNOLOGY

To use information technology (IT) extensively in its operations to achieve greater productivity and efficiency, The company has opted for a customized SAP solution for its various spheres of diverse activities of spinning, weaving and processing. The implementation of SAP has been completed.

HUMAN RESOURCES

At Sangam, employees are not only considered to be the stakeholders in the corporate growth but also are the key drivers of its performance. The Company always endeavors to provide an environment that encourages talented professionals to perform to their fullest potential. The Company owes its success to its loyal and efficient human asset. The Company believes that, by effectively managing and developing human resources, it can achieve its vision. It imparts specialized and technical training to its employees at regular intervals, which enrich their knowledge, skill and competency to perform their job effectively and efficiently. This also encourages employees to shoulder more responsibilities and take part in the growth of the Company's business. The Human Resource strategies aim at attracting, developing and retaining talent pool in the Company. As on 31.03.2013 the number of employees was about 7000. The industrial relations were also cordial during the period under review.

INTERNAL CONTROL SYSTEM

The Company has an adequate system of internal controls to safeguard and protect from loss, unauthorized use or disposition of its assets. All transactions are properly authorized, recorded and reported to the management.

The Company is following all the Accounting Standards for properly maintaining the books of accounts and reporting of financial statements. The Company has a full-fledged Internal Audit department and has also appointed external Internal Auditors to review various areas of the operations of the Company. The management and the Audit Committee of the Board review the audit reports periodically.

RISKS AND CONCERNS

The Company is exposed to normal industry risk factors of competition, economic cycle and uncertainties in the international and domestic markets and credit risk. The Company manages these risks, by maintaining a conservative financial profile and by following prudent business and risk management practices.

Directors' Report

Dear Shareholders,

The Board of Directors present the 27th Annual Report of the Company together with the Audited Statements of Accounts for the Financial Year ended March 31, 2013.

FINANCIAL RESULTS

	(₹ in Crore)	
	March 31, 2013	March 31, 2012
Net Turnover	1478.84	1417.22
Profit before Tax & Depreciation	151.81	93.86
Depreciation	76.98	67.85
Provision for Doubtful Debts/Advances	0.45	0.30
Profit before Tax	74.83	26.01
Tax Expense - Current Tax	27.16	7.16
- Deferred Tax	(3.63)	1.77
Profit after Tax	51.30	17.08
Brought forward Profit	59.23	56.73
Proposed Dividend	4.73	3.94
Tax on Dividend	0.80	0.64
Transfer to General Reserve	30.00	10.00
Carried to Balance Sheet	75.00	59.23

OPERATIONAL RESULTS

Your company's performance during the financial year can be considered satisfactory considering overall economic scenario prevalent at domestic as well as global spheres. Turnover increased from ₹ 1417.22 crore to ₹ 1478.84 crore, Net Profit up to ₹ 51.30 crore compared ₹ 17.08 crore in the previous financial year ended 31 March 2012. Exports have remained almost static at ₹ 300.75 crore as against ₹ 308.23 crore in last year.

DIVIDEND

In view of the better overall performance, your directors are pleased to recommend for your approval, dividend of 12% on 3,94,21,559 equity shares for the financial year 2012-13 aggregating to ₹ 4.73 crore, which is subject to approval at the forthcoming Annual General Meeting. The company would also pay corporate tax on dividend and dividend would be tax free in the hands of the shareholders.

EXPANSION AND MODERNISATION

Execution of Capex plan of ₹ 180 Crore as reported earlier has been completed and new capacities of denim fabric and open end spinning have become operational. Further the process house Capex of ₹ 16 crore has been completed resulting in the increase in processing capacity.

PUBLIC DEPOSITS

The company has not accepted any deposits from the general public within the meaning of Section 58 A of the Companies Act, 1956 and rules made thereunder.

DIRECTORS

In accordance with the Companies Act, 1956 and Articles of Association of the Company, Shri Achintya Karati, Director of the Company retire by rotation and being eligible offer himself for re-appointment at the ensuing annual general meeting.

SUBSIDIARY COMPANY

The company has no subsidiary company.

AUDITORS

M/s R. Kabra & Company, Chartered Accountants, Mumbai and M/s BL Chordia & Company, Chartered Accountants, Bhilwara, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

The Company has received letters from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of Section 226 of the said Act.

AUDITORS' REPORT

As regards Auditors observations, the relevant notes on account are self explanatory and therefore, do not call for any further comments.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance and adheres to the stipulations set out in the Listing Agreement with the Stock Exchanges and have implemented all the prescribed requirements. Annexed reports on Corporate Governance and Management Discussion and Analysis as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges form part of this Annual Report. Certificate from the Auditors of the Company, confirming compliance of conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is annexed to this report.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed that:

1. In the preparation of the annual accounts for the year ended on March 31, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. The directors have selected such accounting policies and applied them consistently and made judgments, and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2013 and of the profit of the Company for the year ended on that date;
3. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
4. The directors have prepared the annual accounts of the company for the year ended on March 31, 2013 on a 'going concern' basis.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the Annexure I to the Directors' Report.

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

The information relating to energy, technology absorption and foreign exchange earnings and outgo required to be disclosed under The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure-II along with Form A and Form B.

HUMAN RESOURCES MANAGEMENT AND INDUSTRIAL RELATIONS

The Company continues to focus on training its employees on a

continuing basis, both on the job and through training programs. Relations with the staff members and the workmen continued to be cordial and satisfactory during the year under consideration.

ACKNOWLEDGEMENT

The Board of Directors place on record their appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Government, Local Authorities for their strong support and valuable guidance. The Directors are thankful to the shareholders for their continued support to the Company. Your Directors also wish to place on record their deep sense of appreciation for the devoted services of the Executives, Staff and Workers of the Company for its success.

By Order of the Board of Directors
For Sangam (India) Limited

R. P. Soni
Chairman

Place : Bhilwara
Dated : 25th April, 2013



Annexure - I

Particulars of employees as per section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2013.

EMPLOYED THROUGH THE YEAR AND WERE IN RECEIPT OF REMUNERATION AGGREGATING TO NOT LESS THAN ₹ 60,00,000 P.A.

Sl. No.	Name	Designation & nature of Duties	Remuneration Received (₹ In Lacs)	Qualification	Age (Years)	Experience (Years)	Date of Commencement	Last Employment held
1	Shri S.N. Modani	Managing Director	118.54	M.Sc., M.B.A.	49	24	01.03.1991	Manglam Cement Ltd.

Note: Remuneration includes commission, allowance, company's contributions to provident funds and value or perquisites etc.

Annexure - II

INFORMATION REQUIRED UNDER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988, AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH 2013.

CONSERVATION OF ENERGY

(A) Energy Conservation measures taken

1. Installation of Inverter on Carding for Doffer to reduce the friction loss.
2. Changed the air compressor line for energy efficiency.
3. Smaller size and energy efficient rings and spindles have been used in Ring Frames instead of bigger size rings and spindles.
4. Provided invertors in the suction fans of Auto Coner Winding Machines.
5. Provided Small Dia Energy Efficient fan in the Machine wherever low current is required.
6. Installation of Servo/Constant Voltage Stabilizer for lighting load after assembling all wiring at Central location.
7. Installation of Energy Efficient Motor (EFF - 1) in TFO and other useful places like fans, Humidification etc.
8. Use of Treated water at following areas for reduction of input water :-
Humidification Plant, Air Washer, Cooling Towers, Gardening, Agriculture, Floor Washing, Ash quenching and Coal Spray etc.
9. Used High Temperature and high-speed grease (Synthox-HT) to reduce the overhauling consumption and reduce the bearing consumption also.
10. Installed Low dia meter pot type TFO instead of higher dia meter pot type TFO to save the energy upto 35%. With the help of all these conservation activities, we have saved substantial energy in the last year.
11. Redesigned 33 KV substation for reduction of losses.
12. Installed the 0.2S class CTPT set for proper metering.
13. Installed the Transport fan in place of condenser in Blow room to save the energy.
14. Installed the standby meter for proper metering with AVVNL.

(B) Additional investment and proposal being implemented for reduction of consumption of energy

Installation of High Efficiency Motors (IEC/Nema Standard).

Form - A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Particulars	Current Year	Previous Year
A POWER & FUEL CONSUMPTION		
1 ELECTRICITY		
(a) Purchased		
Units(Kwh)	121511202	120723354
Total Amount (₹ In Lacs)	5922	5635
Rate/Unit (₹)	4.87	4.67
(b) Own Generation:		
(i) Through Generators - Units	349450	476658
Unit Per Litre of Fuel(Unit/Litres)	3.12	3.16
Rate/Unit (₹)	12.62	12.06
(ii) Through Thermal Power - Units	126489305	95762080
Unit Per Kg of Coal (For Cogeneration of steam & power)	0.55	0.56
Cost Per Unit (₹)	5.89	4.78
2 COAL		
(a) Coal (For Thermal Power) (For Cogeneration of steam & power)		
Quantity (M.T.)	228829	169692
Total Amount (₹ in Lacs)	7452	4573
Average Rate/M.T. (₹)	3256	2695
(b) Coal (For Steam Generation)		
Quantity(M.T.)	9036	7832
Total Amount (₹ in Lacs)	725	578
Average Rate/M.T. (₹)	8028	7375
3 DIESEL		
Quantity (Litres)	111867	150955
Total Amount (₹ in Lacs)	44	58
Average Rate (₹)	39.44	38.09
B CONSUMPTION PER UNIT OF PRODUCTION		
(a) Electricity Units :		
Per kg of yarn	3.34	3.43
Per meter of fabric	0.84	0.77
Per kg of textile flock	-	0.69
Per meter of flock fabric	-	0.53
Per meter (job processing)	0.21	0.21
(b) Coal :		
Per kgs of textile flock	-	1.76
Per meter of flock fabric	-	0.40
Per meter (job processing)	0.19	0.25
Per kg (job sizing)	0.42	0.27

Sangam B

FOREIGN EXCHANGE EARNING AND OUTGO :

	2012-13	2011-12
a) Total Foreign Exchange used	2509	7456
b) Earning in Foreign Exchange	29526	30360

(₹ in Lacs)



Corporate Governance Report



1. THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The company believes in and practices good Corporate Governance. The company continuously endeavors to improve on these aspects on an ongoing basis. For creation of wealth for shareholders on a sustainable and long term basis and to maximize 'total returns to shareholder', being the core of the mandate from shareholders, it is imperative for the Management to institutionalize a 'Framework of Corporate Governance and Code of Practices' as an enabling methodology to strengthen decision-making processes and organization-wide compliance with core values of ethical integrity and reliability while enhancing effective, harmonious and transparent functioning amongst the Board of Directors, its Committees and the Executive Management to meet challenges and to make the best of opportunities in the years ahead.

2. BOARD OF DIRECTORS

There are 6 Directors on the Board of Company, comprising 2 Promoters and Executive Directors, 1 Promoter and Non-Executive Director and 3 Independent and Non-Executive Directors. Composition of the Board of Directors of the Company as on 31st March 2013 was as under with details of other directorships and committee memberships: -

Name	Status	No. of other Directorship and committee Memberships	
		Other Directorships	Committee Memberships
Shri RP Soni	Promoters Non Executive Director/Chairman	14	-
Shri SN Modani	Promoters Executive/Managing Director	-	-
Shri VK Sodani	Promoter Executive Director	4	-
Shri Ramawatar Jaju	Independent Non Executive	5	-
Shri Achintya Karati	Independent Non Executive	6	5
Shri TK. Mukhopadhyay	Independent Non Executive	2	-

Note 1: Other Directorships includes Private Limited Companies and Alternate Directorships.

Note 2: Only Audit Committee, Shareholders/Investors Grievance Committee are reckoned for committee membership purpose.

- Note 3:**
- The membership of Company's Directors on the Audit Committee and Shareholders/ Investors Grievance Committee are given below elsewhere in this report.
 - Attendance at Board meetings during the year and last Annual General Meeting.
 - 4 meetings of the Board were held during the financial year 2012-13 on 18.05.2012, 10.08.2012, 31.10.2012 and on 25.01.2013.
 - The last Annual General Meeting was held on 28th September 2012.

Sl. No.	Name of the Director	No. of Board Meetings attended	Whether attended Last AGM
1	Shri RP Soni	All	Yes
2	Shri SN Modani	Three	Yes
3	Shri VK Sodani	All	Yes
4	Shri Ramawatar Jaju	All	No
5	Shri Achintya Karati	All	No
6	Shri TK Mukhopadhyay	Three	No

3. CODE OF CONDUCT

Sangam (India) Limited has laid down a code of conduct for all Board Members and senior management of the Company. All Board Members and designated senior management personnel have affirmed compliance with this code of conduct. The code of conduct is displayed on the website of the Company www.sangamgroup.com. A declaration to this effect, signed by the Managing Director of the Company is attached at the end of this report.

4. CEO/CFO CERTIFICATION

The Managing Director, Executive Director and Jt. President (Finance) & Company Secretary of the Company have certified to the Board as required under provision V of the clause 49 of the listing agreement covering all aspects enumerated therein.

5. AUDIT COMMITTEE

a. Terms of reference

The Audit Committee is to oversee the Company's financial reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditors and fixation of their fees, to review and discuss with the auditors about internal control systems, the scope of audit including the observations of the Auditors, adequacy of the internal audit system, major accounting policies, practices and entries, compliances with accounting standards and Listing Agreement entered into with the Stock Exchanges and other legal requirements concerning financial statements and related party transactions, if any, to review the Company's financial and risk management policies and discuss with the Internal Auditors any significant findings for follow-up thereon, to review the quarterly, half-yearly and annual financial statements before they are submitted to the Board of Directors. The Committee also meets the operating management personnel and reviews the operations, new initiatives and performance of the business units. Minutes of the Audit Committee Meetings are circulated to the Members of the Board, discussed and taken note of.

The terms of reference covers all aspects as stipulated in revised clause 49 of the listing agreement.

b. Constitution

The terms of reference covered all the aspects stipulated by the SEBI guidelines and the Audit Committee has been mandated with the same terms of reference as specified in revised Clause 49 of the Listing Agreement with Stock Exchanges. The Chairman of the Committee is Shri Ramawatar Jaju, an Independent Director and all members have adequate financial knowledge.

c. Composition

The composition of the Audit Committee as on 31st March, 2013 is as follows:

Shri Ramawatar Jaju	Chairman (Independent Director)
Shri Achintya Karati	Member (Independent Director)
Shri R P Soni	Member (Promoter and Non-executive Director)

d. Meetings and Attendance

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

Date of meetings - 4 meetings of the Committee of Board of the Company were held during the financial year 2012-13 on 18.05.2012, 10.08.2012, 31.10.2012 and on 25.01.2013.

Attendance

Name of the Director	No. of meetings attended
Shri RP Soni	All
Shri Ramawatar Jaju	All
Shri Achintya Karati	All

- Shri Anil Jain, Jt. President (Finance) & Company Secretary is the Secretary to the Committee.

- Shri GC Jain, President attended all the meetings of the Committee as invitee to represent the finance function. Shri RM Sinduria represented the Internal Audit function. The Statutory Auditors of the company also attended the meetings. The Statutory Auditors of the company are invited to join Audit Committee meetings for discussions. The Audit Committee holds discussions with the Statutory Auditors and their report on the audit of the yearly accounts, the yearly audit plan, matters relating to compliance of accounting standards, their observations arising from the limited review report/annual audit of the Company's accounts and other related matters.

The Audit Committee during its four meetings reviewed with the management and the auditors (both external and internal) all issues, which are required to be reviewed by the audit Committee pursuant to the listing agreement with the Stock Exchanges as also the Companies Act, 1956. The Audit Committee has also reviewed the observations of the internal and statutory auditors in relation to all areas of operations of the company as also the internal control systems. In addition, the committee has been examining all areas associated with the taxation matters (direct and indirect) and has reviewed the measures initiated by the company for mitigating the risks. The Audit Committee has also reviewed the actions taken by the company on various observations and queries of the auditors.

6. REMUNERATION COMMITTEE

A Remuneration Committee is there to formulate and recommend to the Board a Compensation/remuneration structure for managing/ whole time directors. Non-executive directors are at present not paid commission over and above the sitting fees.

Committee consists of three directors namely: -

Shri Ramawatar Jaju	Chairman
Shri Achintya Karati	Member
Shri R.P. Soni	Member

There was one meeting held of Remuneration Committee as on 18.05.2012. The Remuneration Policy of the Company is:

i. For Managing/Whole time Directors

The total remuneration, subject to shareholders approval, consists of:

- A fixed component - consisting of salary and perquisites; the perquisites and benefits are in line with the company rules for senior managerial personnel.
- A variable component - linked to performance of company as well as of the individual director - consisting of performance linked bonus, as may be determined by the Remuneration Committee, within the limits approved by the shareholders/ subject to Schedule XIII of the Companies Act, 1956.
- Commission payable to Managing Director not exceeding 1% of the net profits computed under section 198 (4) of the Companies Act, 1956 approved by the shareholders.

ii. For Non-executive Directors

Sitting Fees as permitted under the Companies Act, 1956 ₹ 20,000/- per meeting of the Board or its Committees plus reimbursement of actual travel and out-of-pocket expenses incurred for attending such meetings.

The details of remuneration paid/payable to all the Directors for the year 2012-13 are as under:

a. Non-executive Director(s) (Sitting fees only)

Sr. No.	Name of the Directors	Sitting fees (in ₹)
1	Shri Ramawatar Jaju	2,40,000
2	Shri Achintya Karati	2,40,000
3	Shri R.P. Soni	2,40,000
4	Shri T.K. Mukhopadhyay	60,000
Total		7,80,000

b. Managing/Whole time Director -

(₹ in Lacs)

Particulars	Managing Director Shri S.N. Modani \$	Executive Director Shri V.K. Sodani #
Salary	31.50	17.22
Commission	76.65	-
Other perquisites	10.39	8.12
Total	118.54	25.34

§ Shri SN Modani is under contract of employment with the company for 5 years w.e.f. 01-10-2009. His appointment can be terminated by notice of six months by either side. There is no sitting fee payable to Managing Director.

Shri VK Sodani is under contract of employment with the company for 5 years w.e.f. 01-10-2012. His appointment can be terminated by notice of six months by either side. There is no sitting fee payable to Executive Director.

The company currently does not have any stock option scheme.

7. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

- The committee consists Shri Ramawatar Jaju as the Chairman. Shri RP Soni and Shri Achintya Karati are the other members.
- Shri Anil Jain, Jt. President (Finance) & Company Secretary who is the compliance officer for secretarial compliance is nominated as Compliance Officer for this purpose also.
- The Committee reviews the system of dealing with and responding to correspondence from the investors' viz.- shareholders. The details of complaint letters received from Stock Exchange(s), SEBI, Department of Company Affairs are also placed before this committee and it reviews the responses there to individually.
- During the year, 3 complaint letters were received from investors directly and were dealt with satisfactorily. There are no investor grievances pending for a period exceeding one month.
- There are no pending complaints as on 31st March 2013.
- The Board had authorized Shri Anil Jain, Jt. President (Finance) & Company Secretary to approve all routine transfers and transmissions of shares. Presently, transfers, transmissions etc. are affected within 12-15 days (as against the stipulated norm of 15 days).
- As on March 31, 2013 there were 4 requests pending for transfer of shares and the notice have been sent to the sellers for their confirmation.

8. GENERAL BODY MEETINGS

(i) General Meeting

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

General Body Meeting	Day, Date	Time	Venue
24th AGM-2010	Thursday, September 30, 2010	4.00 P.M.	Opp. Hr. Secondary School, Industrial Estate, Pur Road, Bhilwara-311001 (Raj.)
25th AGM-2011	Friday, September 30, 2011	4.00 P.M.	
26th AGM-2012	Friday, September 28, 2012	4.00 P.M.	

(b) Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the year 2012-13.

(ii) Postal Ballot

No Postal Ballot was conducted during the year 2012-13.

(iii) Special Resolutions

At the Annual General Meeting of the Company held on September 28, 2012:

- Re-appointment of Shri V.K. Sodani, Executive Director of the company for a period of 5 years effective from October 1, 2012.
- Appointment of Shri Anurag Soni pursuant to Section 314 read with Director's Relatives (Office or Place of Profit) Rules, 2011 to hold an office or place of profit as designated as Chief Business Strategist.

The above resolutions were passed with the requisite majority.

9. DISCLOSURES

- (i) There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.
- (ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years 2010-11, 2011-12 and 2012-13 respectively: NIL
- (iii) The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure I D to the Clause 49 of the Listing Agreements entered into with the Stock Exchanges:

The Company has set up a Remuneration Committee, details of which have been given earlier in this Report.

- (iv) Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

10. MEANS OF COMMUNICATION

- a. The quarterly results are generally published in Economic Times or Business Line or The Business Standard in English and Rajasthan Patrika and/or Dainik Bhaskar and/or Nafa Nuksan in Hindi. The quarterly results are also displayed on the Company's notice boards in all locations.
- b. A Management Discussion and Analysis report is enclosed separately as part of this Annual Report.

11. GENERAL SHAREHOLDER INFORMATION

a.	27th Annual General Meeting	
	- Date and Time	Monday, September 30, 2013 at 4.00 p.m.
	- Venue	Atun, Chittorgarh Road, Bhilwara-311001 (Raj.)
b.	Financial Calendar	
	- Unaudited results for the quarter ending June 2013	14th August, 2013
	- Un-audited results for the quarter/half year ending September 2013	15th November, 2013
	- Un-audited results for the quarter ending December 2013	14th February, 2014
	- Audited results for the year ending March 31, 2014	May 2014
c.	Book closure date	23-09-2013 to 30-09-2013 (both days inclusive)
d.	Dividend payment date	Within 7 days of AGM (Subject to approval at the AGM)
e.	The listing fee has been paid up to date, to all the Stock Exchanges.	
f.	Bombay Stock Exchange Ltd. (BSE)	
	i. Scrip code	514234
	ii. Scrip ID	SANGAM
	Trading symbol at National Stock Exchange of India Ltd. (NSE)	SANGAMIND
	Demat ISIN Numbers in NSDL & CDSL	INE495C01010

g. Stock Market Data

The reported high and low prices of equity shares of Sangam traded during fiscal 2013 on BSE and NSE are set out in the following table:

Month	Bombay Stock Exchange Ltd. (BSE)				National Stock Exchange of India Ltd. (NSE)			
	Share Price (₹)		Sensex		Share Price (₹)		S&P CNX NIFTY	
	High	Low	High	Low	High	Low	High	Low
April, 2012	48.80	40.40	17,664.10	17,010.16	48.70	40.20	5378.75	5154.30
May, 2012	48.00	39.50	17,432.33	15,809.71	48.05	40.25	5279.60	4788.95
June, 2012	49.50	42.50	17,448.48	15,748.98	49.70	42.00	5286.25	4770.35
July, 2012	49.00	42.20	17,631.19	16,598.48	49.70	44.10	5348.55	5032.40
August, 2012	62.30	44.95	17,972.54	17,026.97	62.30	44.40	5448.60	5164.65
September, 2012	58.85	55.00	18,869.94	17,250.80	59.00	54.10	5735.15	5215.70
October, 2012	61.30	54.05	19,137.29	18,393.42	60.90	53.00	5815.35	4888.20
November, 2012	66.90	55.00	19,372.70	18,255.69	67.00	53.85	5885.25	5548.35
December, 2012	61.50	49.15	19,612.18	19,149.03	61.50	40.40	5965.15	5823.15
January, 2013	57.95	50.00	20,203.66	19,508.93	57.85	46.75	6111.80	5935.20
February, 2013	54.00	38.70	19,966.69	18,793.97	54.50	38.50	6052.95	5671.90
March, 2013	46.40	33.00	19,754.66	18,568.43	41.50	33.00	5971.20	5604.85

h. Registrars and Transfer Agent

The Securities and Exchange Board of India (SEBI), by its circular dated 27-12-2002, directed that all share registry work in terms of both physical and electronics segments should be maintained at a single point either in-house or with a SEBI registered R & T Agent. In compliance with these directions, the company has appointed Bigshare Services Private Limited as its Registrars and Transfer Agent.

i. Share Transfer System

The Company's shares are traded in the Stock Exchanges compulsorily in Demat mode. Shares in physical mode, which are lodged for transfer are processed and returned to the shareholders within the stipulated time.

j. (i) Distribution of Share holding as on March 31, 2013

Category Range-Shares	Shareholders		Shareholding	
	Number	%age	Number of Shares	%age
Up to 500	8267	85.85	1276073	3.24
501-1000	712	7.39	593214	1.50
1001-2000	292	3.03	444349	1.13
2001-3000	106	1.10	272155	0.69
3001-4000	52	0.54	181788	0.46
4001-5000	28	0.29	131249	0.33
5001-10,000	63	0.66	444289	1.13
10,001 and above	110	1.14	36078442	91.52
Total	9630	100.00	39421559	100.00

(ii) Shareholding Pattern as on March 31, 2013

Category	No. of Shares held	% of Shareholding
Promoters holding		
(a) Individual Promoters	3169433	8.04
(b) Persons acting in Concerts	12066474	30.61
OTHERS		
Mutual Funds and UTI	-	-
Banks, Financial Institution, Insurance Companies (Central/ State Govt. Institutions/ Non Govt. Institutions)	2066444	5.24
Foreign Institutional Investors (FIIs)	-	-
Private Corporate Bodies	17362558	44.04
Indian Public	4464444	11.32
NRI's / OCBs	267812	0.68
Trust	14000	0.04
Clearing Members	10394	0.03
Total	39421559	100.00

k. Dematerialization of shares and liquidity

Shares of the Company are traded in electronic form. SEBI has stipulated the shares of the Company for compulsory delivery in dematerialization form only, by all investors from December 2000. About 99.10% of the shares holdings have already been dematerialized. Shares of the Company are actively traded in Mumbai and National Stock Exchange and have reasonably good liquidity.

l. Office and works

Registered Office

Atun, Chittorgarh Road
Bhilwara - 311 001 (Raj.)
Ph.: +91 1482 304000, 267150, 304188, Fax: +91 1482 304120
website: www.sangamgroup.com

Plant Location**Spinning**

Unit - I : Vill. Biliya Kalan, Chittorgarh Road, Bhilwara - 311 001 (Raj.)
Unit - II : 91 K.M. Stone, N.H.-79, Vill. Sareri, Dist. Bhilwara - 311 024 (Raj.)

Weaving and Processing

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

Denim

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

m. Registrar and Share Transfer Agent

Bigshare Services Private Limited,
E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai -400 072
E-mail: investor@bigshareonline.com
Tel No's. : 022-4043 0200, Fax No. 022-28475207

n. Address for Correspondence

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

Company Secretary

Sangam (India) Limited, Atun, Chittorgarh Road, Bhilwara - 311 001 (Raj.)
Ph.: +91 1482, 267150, 304188, Fax: +91 1482 304120
email : secretarial@sangamgroup.com, website: www.sangamgroup.com

Declaration Of The Managing Director

I hereby declare that all Board Members and designated senior management have affirmed compliance with the code of conduct as laid down by the Board of Directors of the Company for the year ended 31st March, 2013.

S.N. Modani

Managing Director

Place : Bhilwara

Dated : 25/04/2013

Auditors' Report On Corporate Governance

To
The Members of
Sangam (India) Limited

We have examined the compliance of conditions of corporate governance by Sangam (India) Limited, for year ended 31 March 2013 as stipulated in clause 49 of the listing Agreement of the said company with stock exchange(s). The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above-mentioned listing agreement.

We state that no investor grievance is pending for a period exceeding one month against the company as per records maintained by the shareholders grievance committee.

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

For **R. Kabra & Co.**
Chartered Accountants
(Reg. No. 104502W)

(R.L. Kabra)
Partner
M. Ship No. 016216

Camp : Bhilwara
Date : April 25, 2013

For **B.L. Chordia & Company**
Chartered Accountants
(Reg. No. 000294C)

(B.L. Chordia)
Partner
M. Ship No. 010882

Place : Bhilwara
Date : April 25, 2013

*Financial
Sections*



Report

Independent Auditors' Report

To the Members of **Sangam (India) Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Sangam (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required *subject*

to Note No 31 regarding amounts reflected in the financial statements of jointly controlled entities are unaudited and based on Management certifications and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **R. Kabra & Co.**
Chartered Accountants
(Registration No.104502W)

(R.L. Kabra)
Partner
M. Ship No.016216

Camp: Bhilwara
Date: April 25, 2013

For **B.L. Chordia & Co.**
Chartered Accountants
(Registration No.000294C)

(B.L. Chordia)
Partner
M.Ship No.010882

Place: Bhilwara
Date: April 25, 2013

Annexure to the



Report

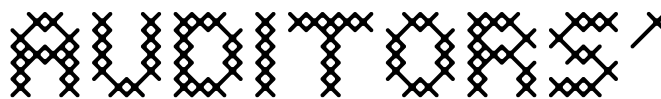
(Referred to in our report of even date)

Annexure referred to in Point 1 of the Auditors' Report of even date to the members of Sangam (India) Limited for the year ended as on March 31, 2013.

On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we state as under:

- (i)
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
 - b. As per the information and explanations given to us, physical verification of fixed assets has been carried out in terms of the phased programme of verification adopted by the company and no material discrepancies were noticed on such verification.
 - c. In our opinion and according to the information and explanations given to us, during the year the company has not disposed off any substantial parts of Fixed Assets and therefore does not affect the going concern assumption
- (ii)
 - a. As per the information and explanation given to us, the inventories (excluding stock, materials and work in progress, which are in transit & stock lying with third parties) have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. In our opinion, and according to the information and explanations given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on verification of inventory.
- (iii)
 - a. As per the information and explanation given to us, the company has granted unsecured loans to companies covered in the register maintained under section 301 of the Companies Act, 1956. The number of such parties involved are one and the maximum balance during the year is ₹ 4,530 lacs and the closing balance as on year end is ₹ 4,530 lacs.
 - b. The rate of interest and other terms and conditions of loan given by the company are prima facie not prejudicial to the interest of the company
 - c. The receipt of principal amount and interest are on demand basis.
 - d. In our opinion and as per the information and explanations given to us, the company has taken unsecured loans from companies, firms or other parties covered in the register maintained under section 301 of the Act. There is one such party and the maximum balance outstanding during the year is ₹ 2,000 lacs & the closing balance as on year end is currently debit balance as mentioned in Point No. iii a. The clause iii f & iii g are not applicable, since the payment has been done.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of inventory and fixed assets and for the sales of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v)
 - (a) In our opinion and according to the information and explanation given to us the particulars of or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
 - (b) As explained to us, transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanation given to us, the company has not accepted deposits from the Shareholders/directors and the directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Act and the rules framed there under.
- (vii) In our opinion, the company has an internal audit system through internal control system, which is carried out by the internal audit department, the scope and coverage of which is commensurate with size & nature of the business of the company.
- (viii) The Central Government has prescribed maintenance of the cost records U/S 209(1)(d) of the Companies Act, 1956 in respect to the company's products. We have broadly reviewed the books of accounts & records maintained by the company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made & maintained. We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (ix)
 - a. According to the information and explanations given to us and the records examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection

Annexure to the



Report (Contd.)

fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom-duty and excise duty, cess and other statutory dues with appropriate authorities wherever applicable. According to the

information and explanations given to us, no undisputed arrears of statutory dues were outstanding, as at 31st March 2013 for a period of more than 6 months from the date they became due.

- b. According to the record of the company, the dues of sales-tax, income-tax, customs, wealth-tax, excise-duty, service tax which have not been deposited on account of disputes and the forum where the dispute is pending are given here-under:

Disputed Matters with the various forum

Sl. No.	Name of the Statute	Nature of the dues	Amount (₹ in Lacs)	Forum where dispute is pending
1.	Income Tax Act, 1961	Income Tax	21.00	Commissioner Of Income Tax (Appeals)
2	Rajasthan Stamp Act, 1998	Stamp Duty	108.91	Rajasthan High court, Jodhpur
3	Rajasthan Value Added Tax Act, 2003	Value Added Tax	194.27	Tax Board, Ajmer and Dy. Comm. Appeals.
4	Electricity Act, 2003	Power Factor Incentive	39.12	Rajasthan high Court, Jodhpur
5	Rajasthan Tax on Entry of Goods into Local Area Act, 1999	Entry Tax and Interest	287.15	Rajasthan high Court, Jodhpur

- (x) The Company does not have any accumulated losses during the year and it has not incurred cash losses in current financial year and in the immediately preceding financial year.
- (xi) Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions and banks. There are no debenture holders of the company.
- (xii) Based on our examination of the records and the information and explanations given to us, the company has not granted any loans and/ or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund company or nidhi/ mutual benefit fund/society.
- (xiv) According to the information and explanations given to us, the company has maintained proper records of the transactions & contracts in respect of investments held by the company with timely entries and they are held in its own name.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, the term loans raised during the year have been applied for the purpose for which they were raised.
- (xvii) In our opinion and according to the information and

explanation given to us, on an overall examination of the Balance Sheet and cash flow of the company during the year we report that no funds raised on short-term basis have been used for Long Term Investment.

- (xviii) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The Company has not issued debentures, so the question of security or charge created does not arise in respect of debentures issued.
- (xx) The company has not raised money through public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instances of fraud on or by the company noticed or reported during the year, nor we have been informed or such case by the management.

For **R. Kabra & Co.**
Chartered Accountants
(Registration No.104502W)

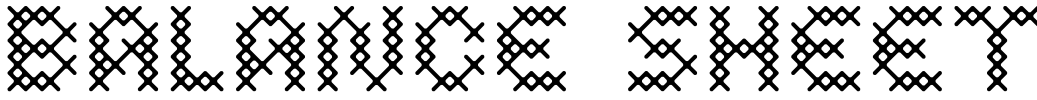
(R.L. Kabra)
Partner
M. Ship No.016216

Camp: Bhilwara
Date: April 25, 2013

For **B.L. Chordia & Co.**
Chartered Accountants
(Registration No.000294C)

(B.L. Chordia)
Partner
M.Ship No.010882

Place: Bhilwara
Date: April 25, 2013



as at 31st March, 2013

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2013		As at 31st March, 2012	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	3,942		3,942	
Reserves and Surplus	2	25,843		21,266	
			29,785		25,208
Non-Current Liabilities					
Long Term Borrowings	3	34,486		44,407	
Deferred Tax Liability (net)	4	4,761		5,124	
			39,247		49,531
Current Liabilities					
Short Term Borrowings	5	21,957		20,753	
Trade Payables	6	6,444		4,946	
Other Current Liabilities	7	14,869		12,022	
Short Term Provisions	8	806		657	
			44,076		38,378
TOTAL			1,13,108		1,13,117
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	9	58,280		62,401	
Intangible Assets	9	44		83	
Capital Work-in-Progress	9	841		972	
Non-Current Investments	10	785		785	
Long Term Loans and Advances	11	1,158		1,019	
			61,108		65,260
Current Assets					
Inventories	12	21,355		20,150	
Trade Receivables	13	17,546		12,510	
Cash and Bank Balances	14	817		899	
Short Term Loans and Advances	15	10,669		13,132	
Other Current Assets	16	1,613		1,166	
			52,000		47,857
TOTAL			1,13,108		1,13,117
Significant Accounting Policies					
Notes on Financial Statements	1 to 37				

As per report of even date attached

For R. Kabra & Co.

Chartered Accountants

(Registration No. 104502W)

(R.L. Kabra)

Partner

M.Ship No. 016216

Camp : Bhilwara

Date: April 25, 2013

For B.L. Chordia & Co.

Chartered Accountants

(Registration No. 000294C)

(B.L. Chordia)

Partner

M.Ship No. 010882

Place : Bhilwara

Date: April 25, 2013

For and on behalf of the Board

(R.P. Soni)

Chairman

(G.C. Jain)

President

(S.N. Modani)

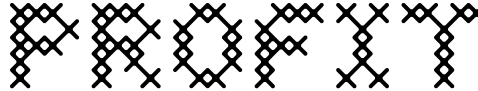

Managing Director

(Anil Jain)

Jt. President (Fin.) & Secretary

(V.K. Sodani)

Executive Director

Statement of  & 
for the year ended 31st March, 2013

(₹ in Lacs)

Particulars	Note No.	2012-13	2011-12
INCOME			
Revenue from Operations	17	1,47,884	1,41,722
Other Income	18	1,256	1,253
Total Revenue		1,49,140	1,42,975
EXPENDITURE			
Cost of Materials Consumed	19	83,434	75,152
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	20	(1,684)	1,530
Employee Benefits Expense	21	9,422	8,283
Power & Fuel	22	14,264	10,995
Toll Contract Fee	23	8,817	19,730
Finance Costs	24	6,867	6,653
Depreciation and Amortisation Expense	25	7,698	6,785
Other Expenses	26	12,794	11,216
Total Expenses		1,41,612	1,40,344
Profit Before Exceptional Item and Tax		7,528	2,631
Exceptional Items		-	-
Provision for Doubtful Debts/ Advances		45	30
Profit Before Tax		7,483	2,601
Tax Expenses			
Current Tax		2,764	694
Deferred Tax		(363)	177
Tax Expense for Earlier Years		(48)	22
Profit for the year		5,130	1,708
Earnings per equity share of face value of ₹ 10 each			
Basic and Diluted (in ₹)		13.01	4.33
Significant Accounting Policies Notes on Financial Statements	1 to 37		

As per report of even date attached

For **R. Kabra & Co.**Chartered Accountants
(Registration No. 104502W)**(R.L. Kabra)**

Partner

M.Ship No. 016216

Camp : Bhilwara

Date: April 25, 2013

For **B.L. Chordia & Co.**Chartered Accountants
(Registration No. 000294C)**(B.L. Chordia)**

Partner

M.Ship No. 010882

Place : Bhilwara

Date: April 25, 2013

For and on behalf of the Board

(R.P. Soni)

Chairman

(G.C. Jain)

President

(S.N. Modani)

Managing Director

(Anil Jain)

Jt. President (Fin.) & Secretary

(V.K. Sodani)

Executive Director



Accounting Policies

1. Basis of Accounting

- a) The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and provisions of the Companies Act, 1956.
- b) Accounting policies not specifically referred to otherwise, have been followed consistently and are in consonance with generally accepted accounting principles.

2. Fixed Assets

- a) Fixed assets are stated at cost, net of Cenvat/ VAT, if any, less accumulated depreciation. Cost includes freight, duties and other incidental expenses incurred till the commencement of commercial production. Incidental expenses include establishment expenses, interest on borrowed funds used for capital expenditure and other administrative expenses.
- b) Capital Work in Progress includes incidental expenses pending allocation/ apportionment in respect of the uninstalled/ incomplete fixed assets.

3. Intangible Assets

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

4. Depreciation

- a) Depreciation on Fixed Assets has been provided on straight-line method at the rates and in the manner specified in schedule XIV of the Companies Act, 1956. The company has technically considered process house machinery (Installed prior to 31.03.11), wind power project & thermal power plant as continuous process plant.
- b) Intangible Assets
Intangible assets comprise of computer software. These intangible assets are amortised on straight line basis over a period of 5 years useful life, which in management's estimate represents the period during which economic benefits will be derived.

5. Revenue Recognition

- a) All revenues, costs, assets and liabilities are accounted for on accrual basis except where there is no reasonable certainty. Turnover is excluding Inter Division Sales & Sales-tax but inclusive of excise duty, export incentives and exchange fluctuations.
- b) Claim lodged with insurance companies are recognized as income on acceptance by the Insurance Company. The Excess / Shortfall of claims passed are adjusted in the year of receipt.

6. Inventories

Inventories are valued at lower of cost or net realizable value, after providing for obsolescence and damages as follows:

a) Raw Material, Packing Material & Stores and Spares	At cost, on FIFO/ weighted average basis.
b) Finished goods	At cost, plus appropriate production overheads, including excise duty paid/ payable on such goods if applicable.
c) Material in Process	At Cost, plus appropriate production overheads.

7. Foreign Exchange Transaction/Translation

- a) Monetary and Non-monetary items /transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction.
- b) Monetary items denominated in foreign currencies at the year end and not covered by forward exchange contract are translated at the year end rate and those covered by forward exchange contract are translated at the rate ruling on the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such differences are recognized over the life of the contract.
- c) Exchange differences in respect of monetary and non-monetary items are recognized as income or expense in the profit and loss account for the relevant year except otherwise disclosed in other notes.



Accounting Policies (Contd.)

8. Research and Development

Revenue expenditure on research and development is charged as an expense in the year in which they are incurred. Capital expenditure is shown as addition to fixed assets.

9. Retirement Benefits

a) Defined Contribution Plan

The company contributes to Government Provident Fund Scheme. The Company's contribution paid/ payable under the scheme is recognized as an expense in the profit and loss account during the period in which the employee renders the related service.

b) Defined Benefit Plan

The Company's liabilities on account of gratuity and leave encashment are determined at the end of each financial year on the basis of actuarial Valuation as per requirements of Accounting Standard 15 (revised 2005) on "Employee Benefits".

10. Borrowing Costs

Borrowing costs relating to acquisition/ construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

11. Accounting for Taxes on Income

a) Current tax has been provided as per the provision of Income Tax Act 1961.

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

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

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit entitlement. The company reviews the same at each Balance Sheet date and write down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income-tax during specified period.

12. Impairment of Assets (AS-28)

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

13. Provisions, Contingent Liabilities and Contingent Assets

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



Accounting Policies (Contd.)

14. Earning Per Share

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

15. Joint Venture

The interest in Joint Venture / jointly controlled operations is disclosed as per Accounting Standard-27, with no effect of the profits or losses and assets and liabilities thereof in the financial statements.

16. Cash Flow Statement

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

17. Miscellaneous Expenditure:

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

18. Investment:

Long term investments are carried at cost less provision for permanent diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

19. Segment Reporting

The company has identified primary segments based on the products and secondary segments based on the geographical area.

The primary segments identified are as follows:

- I. Textile
- II. Toll Plaza

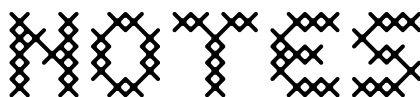
The secondary segments identified are as follows:

- a. Domestic
- b. Overseas

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities to the extent possible are allocated and which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "Unallocated revenue / expenses / assets / liabilities".

20. Government Grants

Capital grants relating to specific assets are reduced from the gross value of the Fixed Assets and those relating to revenue are credited to Profit & Loss A/c or netted from the related expenditure.



on Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
1. SHARE CAPITAL		
Authorised Share Capital:		
6,40,00,000 (Previous Year 6,40,00,000) Equity share of ₹ 10 each fully paid up	6,400	6,400
1,85,00,000 (Previous Year 1,85,00,000) Non - Cumulative Redeemable Preference Shares of ₹ 10 each fully paid up	1,850	1,850
	8,250	8,250
Issued, Subscribed and Paid Up:		
3,94,21,559 (Previous Year 3,94,21,559) Equity share of ₹ 10 each fully paid up	3,942	3,942
TOTAL	3,942	3,942

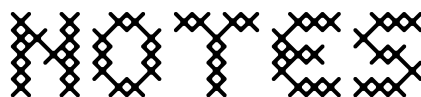
11. Out of above Shares 12,50,062 Equity shares of ₹10/- each at par were issued pursuant to scheme of amalgamation in earlier years without payment being received in cash.

12. The details of Shareholders' holding more than 5% shares:

Name of the Shareholders	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	% held	No. of Shares	% held
Nidhi Mercantiles Ltd.	57,00,000	14.46	57,00,000	14.46
Mentor Capital Ltd. (formerly known as Pacific Corporate Services Ltd.)	50,24,900	12.75	49,34,900	12.52
Sangam Business Credit Ltd.	31,55,793	8.01	31,55,793	8.01
Sangam Fincap Ltd.	22,16,045	5.62	22,16,045	5.62
TOTAL	1,60,96,738	40.84	1,60,06,738	40.61

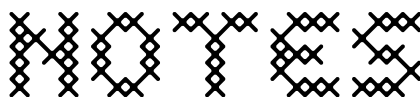
13. The reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31st March, 2013	As at 31st March, 2012
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	3,94,21,559	3,94,21,559
Add: Shares Issued During the year	-	-
Equity Shares at the end of the year	3,94,21,559	3,94,21,559



on Financial Statements for the year ended 31st March, 2013 (Contd.)

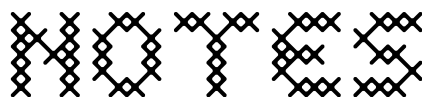
		(₹ in Lacs)			
		As at 31st March, 2013	As at 31st March, 2012		
2.	RESERVES & SURPLUS				
	Capital Reserve				
	As per Last Balance Sheet	297	297		
	Securities Premium Reserve				
	As per Last Balance Sheet	5,868	5,868		
	Preference Share Capital Redemption Reserve				
	As per Last Balance Sheet	1,178	1,178		
	General Reserve				
	As per Last Balance Sheet	8,000	7,000		
	Add: Transferred from Profit & Loss Account	3,000	1,000		
	Closing Balance	11,000	8,000		
	Profit & Loss Account				
	As per Last Balance Sheet	5,923	5,673		
	Add: Profit for the year	5,130	1,708		
	Less: Appropriations				
	Transferred to General Reserve	3,000	1,000		
	Proposed Dividend on Equity Shares	473	394		
	[Dividend per share ₹ 1.20 (Previous Year ₹ 1)]				
	Tax on Dividend	80	64		
	Closing Balance	7,500	5,923		
	TOTAL	25,843	21,266		
3.	LONG TERM BORROWINGS				
	A) Secured				
	(a) Term Loans From Banks				
	Rupee Loans	34,301	39,315		
	Foreign Currency Loans	-	-		
	(b) Vehicle Loans From Banks	185	96		
	TOTAL (A)	34,486	39,411		
	B) Unsecured				
	(a) Term Loans From Banks				
	Foreign Currency Loans (Buyers Credit)	-	2,996		
	(b) Loans from Related Parties	-	2,000		
	TOTAL (B)	-	4,996		
	TOTAL (A+B)	34,486	44,407		
3.1	All Rupee and Foreign Currency Term Loans from banks (including current maturities) except vehicle loan are secured by a joint equitable mortgage by deposit of title deeds in respect of immovable properties and first hypothecation of the entire moveable properties of the company, both present and future (save and except book debts) subject to prior charges created/to be created in favour of bankers for securing working capital borrowing, ranking pari-passu with the charges created/to be created in favour of other participating institutions and banks. The above Term Loans are further secured by personal guarantee of two directors of the company.				
3.2	Vehicle Loans (including current maturities) are secured by hypothecation of respective vehicle(s) and are repayable over the term of the loan ranging from 2 to 7 years.				
3.3	Foreign Currency Loans (Buyers' Credit) ₹NIL (Previous year ₹ 2996 Lacs) are related to Fixed Assets, payment of which has been done from Term Loans.				
3.4	Maturity Profile of Secured Term Loans are as set out below:				
		Maturity Profile			
		1-2 years	2-3 years	3-4 years	Beyond 4 years
	Term Loans - from banks (Excluding current maturities)	9,412	8,160	4,965	11,764



on Financial Statements for the year ended 31st March, 2013 (Contd.)

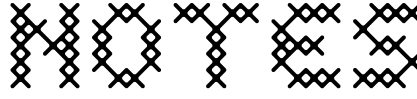
		(₹ in Lacs)	
		As at 31st March, 2013	As at 31st March, 2012
4.	DEFERRED TAX LIABILITY (Net)		
	A) Deferred Tax Liability		
	Related to fixed assets	5,089	5,426
	TOTAL (A)	5,089	5,426
	B) Deferred Tax Assets		
	Disallowance u/s 43B of Income Tax Act, 1961	233	209
	Provision for Bad & Doubtful Debts	95	93
	TOTAL (B)	328	302
	C) Deferred Tax Liability (Net) (A-B)	4,761	5,124
5.	SHORT TERM BORROWINGS		
	A) Secured		
	Loans Repayable on Demand		
	From Banks (Rupee)	21,957	18,253
	TOTAL (A)	21,957	18,253
	B) Unsecured		
	Loans Repayable on Demand		
	From Banks (Rupee)	-	2,500
	TOTAL (B)	-	2,500
	TOTAL (A+B)	21,957	20,753
5.1	Borrowings from Banks for working capital are secured by hypothecation of inventories and charge on book debts both present and future and second charge on all the immovable and movable fixed assets of the company. The above borrowing are further secured by personal guarantee of two directors of the company.		
5.2	Unsecured Loans from Banks ₹ NIL (Previous Year ₹ 2500 Lacs) are secured by personal guarantee of two directors of the company.		
6.	TRADE PAYABLES		
	Micro, Small & Medium Enterprises (Refer Note No.6.1)	-	-
	Others	6,444	4,946
	TOTAL	6,444	4,946

- 6.1 Dues to small-scale industrial undertakings and due to micro enterprises and small enterprises:
The Company is in the process of compiling relevant information from its suppliers about their coverage under the Micro, Small and Medium Enterprises Development Act, 2006. Since the relevant information is not readily available, no disclosure have been made in the accounts. However, in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of this Act is not expected to be material.



on Financial Statements for the year ended 31st March, 2013 (Contd.)

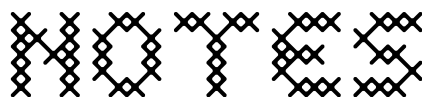
		(₹ in Lacs)	
		As at 31st March, 2013	As at 31st March, 2012
7.	OTHER CURRENT LIABILITIES		
	Current maturities of long term debt (Refer Note No. 3)	9,937	7,076
	Interest accrued but not due on borrowings	29	245
	Unpaid Dividends #	29	32
	Creditors for Capital Expenditure	74	285
	Security Deposit	285	259
	Advance from Customers	496	112
	Liability towards Staff and Workers	908	685
	Commission Payable on Sales	719	700
	Other Payables *	2,392	2,628
	TOTAL	14,869	12,022
	* Includes statutory dues, liabilities for expenses etc.		
	# There is no overdue amount to be credited to investor education & protection fund.		
8.	SHORT TERM PROVISIONS		
	Provisions for Gratuity/ Leave Encashment (Refer Note No.21.1)	253	199
	Proposed Dividend on Equity Share	473	394
	Tax on Dividend	80	64
	TOTAL	806	657



on Financial Statements for the year ended 31st March, 2013 (Contd.)

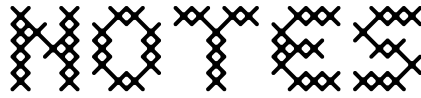
Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 01/04/2012	Additions	Deduction	As on 01/04/2012	For the Year	Adjustments /Deduction	As on 31/03/2013	As On 31/03/2012
(A) TANGIBLE ASSETS								
OWN ASSETS								
Freehold Land	550	228	43	735	-	-	-	550
factory Building	14,879	910	-	15,789	511	-	3,397	11,993
Office Building	89	-	-	89	17	-	18	72
Plant & Machinery	79,336	2,193	731	80,798	6,268	601	41,268	43,735
Wind Power Machines	2,157	-	-	2,157	114	-	942	1,329
Electric Installation	6,006	270	-	6,276	554	-	3,451	3,109
Water Supply Installation	523	-	27	496	19	25	83	434
Furniture & Fixture	458	74	2	530	31	-	272	217
Vehicle	808	156	66	898	79	29	278	580
Office Equipment	106	15	1	120	43	5	48	63
Computer	595	27	179	443	333	39	352	262
Sub-Total	1,05,507	3,873	1,049	1,08,331	7,640	694	50,109	62,344
LEASED ASSETS:								
Leasehold Land	63	2	-	65	6	-	7	57
Sub-Total	63	2	-	65	6	-	7	57
TOTAL (A)	1,05,570	3,875	1,049	1,08,396	7,641	694	50,116	62,401
Previous Year	92,145	16,381	2,956	1,05,570	6,728	1,966	43,169	53,738
(B) INTANGIBLE ASSETS								
Computer software	303	18	-	321	57	-	277	83
TOTAL (B)	303	18	-	321	57	-	277	83
Previous Year	284	19	-	303	57	-	220	121
TOTAL (A)+(B)	1,05,873	3,893	1,049	1,08,717	7,698	694	50,393	62,484
Total Previous Year	92,429	16,400	2,956	1,05,873	6,785	1,966	43,389	53,859
Capital Work In Progress							841	972

Note : ₹ 7 Lacs (Previous Year ₹ 17 Lacs) being Pre Operative expenses included in capital work in progress.



on Financial Statements for the year ended 31st March, 2013 (Contd.)

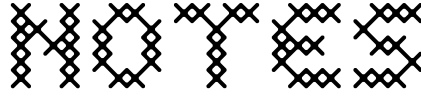
		(₹ in Lacs)	
		As at 31st March, 2013	As at 31st March, 2012
10.	NON-CURRENT INVESTMENTS		
	(Long Term Investments)		
	Unquoted Non - Trade Investment		
	In Equity Shares of Associate Companies/ Joint Venture - Unquoted, fully paid up		
	Equity Shares of ₹ 10/- each fully paid		
	 Keti Sangam Infrastructure (India) Ltd. 780600 (Previous Year 780600) at premium of ₹ 90/- per share	781	781
	 PKSS Infrastructure Pvt. Ltd. 3900 (Previous Year 3900) at par ₹ 39000 (Previous year ₹ 39000)	-	-
	 Kalyan Sangam Infratech Ltd. 37500 (Previous Year 37500) at par	4	4
	TOTAL	785	785
11.	LONG TERM LOANS AND ADVANCES		
	(Unsecured and Considered Good)		
	Capital Advances	473	548
	Security Deposit	676	471
	Other	9	-
	TOTAL	1,158	1,019
	* Netted for Loans and Advances considered doubtful ₹ 79 Lacs (Previous Year ₹ 59 Lacs)		
12.	INVENTORIES		
	Raw Materials	6,708	7,460
	Stock-in-Process	4,212	4,856
	Finished Goods	8,001	5,673
	Stores, Spares & Fuel	2,434	2,161
	TOTAL	21,355	20,150
13.	TRADE RECEIVABLES (Current)		
	(Unsecured and Considered Good)		
	Over six months	1,179	886
	Others	16,582	11,852
		17,761	12,738
	Less: Provision for Doubtful Debts	215	228
	TOTAL	17,546	12,510



on Financial Statements for the year ended 31st March, 2013 (Contd.)

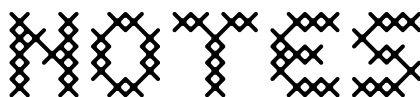
(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
14. CASH & BANK BALANCES		
Earmarked Balances #	29	32
Balance with Banks	565	414
Cash on Hand	67	178
Fixed Deposits with banks *	156	275
TOTAL	817	899
# Balance with Banks against Unclaimed Dividend		
* Fixed Deposits with banks include deposits of ₹Nil (Previous Year ₹ 94 Lacs) with maturity of more than 12 months.		
15. SHORT TERM LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Loans and Advances to Related Parties	4,530	-
Loans and Advances to Others	-	4,443
Balance with Central Excise Authorities	200	320
Advance Tax, MAT credit receivables & TDS/ refund Receivable (Net)	261	1,523
Advance against Supplies	1,153	1,455
Subsidy Receivable	1,447	1,457
Excise Rebate Claim Receivable	739	708
Security Deposits	1,753	2,662
Others #	586	564
TOTAL	10,669	13,132
# Includes prepaid expenses and advance to employees etc.		
16. OTHER CURRENT ASSETS		
(Unsecured and Considered Good)		
Interest Receivable - From Trade Debtors	35	104
Interest Receivable - Others	9	29
DEPB, DBK, Sales Tax Incentive Receivable	1,166	802
Others #	403	231
TOTAL	1,613	1,166
# Includes Insurance Claim receivable ₹ 160 Lacs (Previous Year ₹ 8 Lacs).		



on Financial Statements for the year ended 31st March, 2013 (Contd.)

		(₹ in Lacs)	
		2012-13	2011-12
17.	REVENUE FROM OPERATIONS		
	Sale of Products/ Income from Services	1,48,521	1,42,461
		1,48,521	1,42,461
	Less: Excise Duty	637	739
	TOTAL	1,47,884	1,41,722
17.1.	Particulars of Sale of Products/Services		
	Yarn	79,241	71,958
	Fabrics	54,646	44,961
	Waste	925	757
	Job Charge	4,325	2,937
	Electricity Income	236	254
	Toll Receipts	9,148	21,594
	TOTAL	1,48,521	1,42,461
17.2.	During the year, exchange fluctuation gain on export sales included in sales is ₹ 88 Lacs (Previous Year ₹ 538 Lacs).		
18.	OTHER INCOME		
	Interest		
	From Trade Debtors	608	681
	From Others	394	558
	Other Non-Operating Income		
	Miscellaneous Receipts	12	14
	Foreign Exchange Fluctuation Gain (Other than considered as finance cost)	242	-
	TOTAL	1,256	1,253
19.	COST OF MATERIALS CONSUMED		
	Imported	1,335	1.60
	Indigenous	82,099	98.40
	TOTAL	83,434	100.00
		₹ in Lacs	% of Consumption
		₹ in Lacs	% of Consumption
19.1.	Particulars of material consumed		
	Man Made Fibre	47,327	47,365
	Cotton	20,712	16,619
	POY Yarn	4,315	2,547
	Yarn	3,761	3,687
	Fabrics	1,976	567
	Tow	-	233
	Dyes & Chemicals	5,343	4,134
	TOTAL	83,434	75,152



on Financial Statements for the year ended 31st March, 2013 (Contd.)

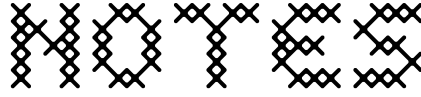
		(₹ in Lacs)	
		2012-13	2011-12
20.	CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE		
	Inventories (at close)		
	Finished Goods	8,001	5,673
	Stock-in-Process	4,212	4,856
		12,213	10,529
	Inventories (at commencement)		
	Finished Goods	5,673	7,854
	Stock-in-Process	4,856	4,205
		10,529	12,059
	TOTAL	(1,684)	1,530
21.	EMPLOYEE BENEFITS EXPENSE		
	Salaries and Wages	8,654	7,637
	Contribution to Provident and Other Funds	600	508
	Staff Welfare Expenses	168	138
	TOTAL	9,422	8,283

21.1. As per Accounting Standard 15 (Revised) "Employee benefits", the disclosure as defined in the Accounting Standard are given below:

Defined Benefit Plans

The following tables set out the details of amount recognized in the financial statements in respect of Employee benefit schemes.

		As at 31st March, 2013		As at 31st March, 2012	
Sr. No.	Particulars	Gratuity	Leave Encashment	Gratuity	Leave Encashment
I	Assumptions as at				
	Mortality	LIC(1994-96)Ult	LIC(1994-96)Ult	LIC(1994-96)Ult	LIC(1994-96)Ult
	Discount Rate	8.05%	8.05%	8.50%	8.50%
	Rate of increase in compensation	5.50%	5.50%	5.50%	5.50%
	Rate of return (expected) on plan assets	9.25%	9.25%	9.25%	9.25%
	Withdrawal rates	Upto Age 30:3% 31-44: 2% 45 & Above: 1%		Upto Age 30:3% 31-44: 2% 45 & Above: 1%	
II	Changes in present value of obligations				
	PVO at beginning of period	456.25	145.33	412.56	145.01
	Interest cost	35.72	12.04	30.35	7.70
	Current Service Cost	150.64	100.23	113.80	78.16
	Benefits Paid	(71.85)	(7.26)	(66.25)	(97.46)
	Actuarial (gain)/ loss on obligation	35.68	(58.60)	(34.21)	11.92
	PVO at end of period	606.44	191.75	456.26	145.33

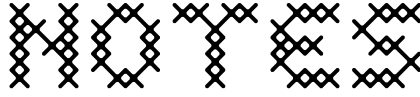


on Financial Statements for the year ended 31st March, 2013 (Contd.)

21. EMPLOYEE BENEFITS EXPENSE (Contd.)

(₹ in Lacs)

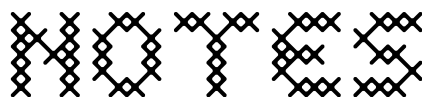
Sr. No.	Particulars	As at 31st March, 2013		As at 31st March, 2012	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
III	Changes in fair value of plan assets				
	Fair Value of Plan Assets at beginning of period	328.03	75.08	292.92	66.89
	Adjustment to Opening Fair Value of Plan Assets	-	-	12.16	-
	Expected Return on Plan Assets	34.45	7.56	27.94	6.28
	Contributions	160.68	20.62	60.19	99.39
	Benefit Paid	(71.85)	(7.26)	(66.25)	(97.46)
	Actuarial gain/ (loss) on plan assets	(1.59)	0.06	1.09	(0.01)
	Fair Value of Plan Assets at end of period	449.72	96.06	328.04	75.08
IV	Fair Value of Plan Assets				
	Fair Value of Plan Assets at beginning of period	328.03	75.08	292.92	66.89
	Adjustment to Opening Fair Value of Plan Assets	-	-	12.16	-
	Actual Return on Plan Assets	32.86	7.62	29.02	6.27
	Contributions	160.68	20.61	60.19	99.39
	Benefit Paid	(71.85)	(7.26)	(66.25)	(97.46)
	Fair Value of Plan Assets at end of period	449.72	96.05	328.04	75.08
	Funded Status	(156.73)	(95.68)	(128.22)	(70.25)
	Excess of actual over estimated return on Plan Assets	(1.59)	(0.06)	1.09	(0.01)
V	Actuarial Gain/ (Loss) Recognized				
	Actuarial Gain/ (Loss) for the period (Obligation)	(35.68)	58.60	34.21	(11.92)
	Actuarial Gain/ (Loss) for the period (Plan Assets)	(1.59)	0.06	1.09	(0.01)
	Total Gain/ (Loss) for the period	(37.27)	(58.66)	35.29	(11.93)
	Actuarial Gain/ (Loss) recognized for the period	(37.27)	(58.66)	35.29	(11.93)
	Unrecognized Actuarial Gain/ (Loss) at end of period	-	-	-	-
VI	Amounts to be recognized in the balance sheet and statement of P&L A/c				
	PVO at end of period	606.45	191.74	456.26	145.33
	Fair Value of Plan Assets at end of period	449.72	96.06	328.04	75.08
	Funded Status	(156.73)	(95.68)	(128.22)	(70.25)
	Unrecognized Actuarial Gain/ (Loss)	-	-	-	-
	Net Asset/ (Liability) recognized in the balance sheet	(156.73)	(95.68)	(128.22)	(70.25)
VII	Expense recognized in the statement of P&L A/c				
	Current Service Cost	150.64	100.23	113.80	78.16
	Interest Cost	35.73	12.04	30.35	7.70
	Expected Return on Plan Assets	(34.45)	(7.56)	(27.94)	(6.28)
	Net Actuarial (Gain)/ Loss recognized for the period	37.27	(58.66)	(35.29)	11.93
	Expense recognized in the statement of P&L A/c	189.19	46.05	80.92	91.52



on Financial Statements for the year ended 31st March, 2013 (Contd.)

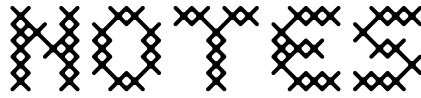
21. EMPLOYEE BENEFITS EXPENSE (Contd.)		(₹ in Lacs)			
Sr. No.	Particulars	As at 31st March, 2013		As at 31st March, 2012	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
VIII	Movements in the Liability recognized in Balance Sheet				
	Opening Net Liability	128.22	70.24	119.64	78.12
	Adjustment to Opening fair Value of Plan Assets	-	-	(12.16)	-
	Expenses as above	189.19	46.05	80.92	91.52
	Contribution Paid	(160.68)	(20.61)	(60.19)	(99.39)
	Closing Net Liability	156.73	95.68	128.22	70.25
IX.	Experience Analysis - Liabilities				
	Actuarial (Gain)/ Loss due to change in bases	35.23	10.13	(28.31)	(28.31)
	Experience (Gain)/ Loss due to Change in Experience	0.45	(68.72)	(5.90)	40.23
	TOTAL	35.68	(58.59)	(34.21)	11.92
	Experience Analysis - Plan Assets				
	Experience (Gain)/ Loss due to Change in Plan Assets	1.59	(0.06)	(1.09)	0.01
X.	Schedule VI Details				
	Current Liability	156.73	95.68	128.22	70.25
	Non-Current Liability	449.72	96.06	328.04	75.08

		(₹ in Lacs)	
		2012-13	2011-12
22.	POWER & FUEL		
	Power & Fuel	14,264	10,995
	TOTAL	14,264	10,995
23.	TOLL CONTRACT FEE		
	Toll Contract Fee	8,817	19,730
	TOTAL	8,817	19,730
24.	FINANCE COSTS		
	Interest Expenses	6,545	6,225
	Bank Charges	292	309
	Applicable loss on foreign currency transactions and translation (Net)	30	119
	TOTAL	6,867	6,653
25.	DEPRECIATION AND AMORTISATION EXPENSE		
	Depreciation and Amortisation	7,698	6,785
	TOTAL	7,698	6,785



on Financial Statements for the year ended 31st March, 2013 (Contd.)

		(₹ in Lacs)	
		2012-13	2011-12
26.	OTHER EXPENSES		
A.	Manufacturing Expenses		
	Stores & Spares Consumed	2,926	2,270
	Packing Material Consumed	1,534	1,343
	Processing and Other Job Charges	1,696	1,141
	Repairs To: Plant & Machinery	421	282
	Building	135	76
	Others	41	34
	Other Manufacturing Expenses	833	596
	TOTAL (A)	7,586	5,742
B.	Administrative Expenses		
	Rent	35	24
	Rates & Taxes	23	22
	Payments to Auditors : Statutory Audit Fees	8	7
	Certification & Other Services	6	6
	Out of Pocket Expenses	2	2
	Cost Audit Fees	1	1
	Insurance Premium	143	161
	Directors' Travelling	15	14
	Travelling & Conveyance	213	192
	Telephone & Postage	74	66
	Directors' Remuneration	144	94
	Printing & Stationery	46	47
	Legal & Professional Fees	77	67
	Vehicle Running & Maintenance	405	336
	Director's Sitting Fees	9	8
	Charity and Donations	14	6
	Miscellaneous Expenses	114	180
	TOTAL (B)	1,329	1,233
C.	Selling and Distribution Expenses		
	Sales Incentive, Commission & Brokerage	1,192	1,148
	Rebates & Claims	109	75
	Freight, Octroi and Other Selling Expenses	2,556	1,891
	TOTAL (C)	3,857	3,114
D.	Other Expenses		
	Loss on Sale of Fixed Assets (Net)	22	693
	TOTAL (D)	22	693
E.	Foreign Exchange Fluctuation		
	Foreign Exchange Fluctuation Loss (Other than considered as finance cost)	-	434
	TOTAL (E)	-	434
	TOTAL (A+B+C+D+E)	12,794	11,216



on Financial Statements for the year ended 31st March, 2013 (Contd.)

26.1. Value of Stores & Spares Consumed:

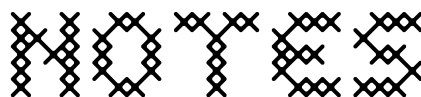
Particulars	2012-13		2011-12	
	₹ in Lacs	% of Consumption	₹ in Lacs	% of Consumption
Imported	521	17.81	300	13.22
Indigenous	2,405	82.19	1,970	86.78
TOTAL	2,926	100.00	2,270	100.00

26.2 Value of Imports on Cif Basis In Respect of	2012-13		2011-12	
	(₹ in Lacs)			
Raw Materials		1,066		1,031
Stores & Spares		629		513
Capital Goods		156		5,341
TOTAL		1,851		6,885

26.3 Expenditure in Foreign Currency	2012-13		2011-12	
Travelling Expenses		32		20
Other Expenses		626		551
TOTAL		658		571

27. EARNINGS PER SHARE (EPS)	2012-13		2011-12	
i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Lacs)		5,130		1,708
ii) Weighted Average number of equity shares used as denominator for calculating EPS		3,94,21,559		3,94,21,559
iii) Basic and Diluted Earning per share (₹)		13.01		4.33
iv) face Value per equity share (₹)		10		10

28. EARNINGS IN FOREIGN EXCHANGE	2012-13		2011-12	
FOB value of exports		29,526		30,360
TOTAL		29,526		30,360



on Financial Statements for the year ended 31st March, 2013 (Contd.)

		(₹ in Lacs)	
		Year Ended 31st March, 2013	Year Ended 31st March, 2012
29.	DETAIL OF PRE OPERATIVE EXPENSES CAPITALIZED/ DEFERRED FOR CAPITALISATION UNDER THE HEAD CAPITAL WORK IN PROGRESS:		
	Opening Balance	16	15
	Financial Charges	63	523
	Administrative Expenses	-	9
	Total amount	79	547
	Less: Exp. Apportioned to fixed assets	72	531
	Balance yet to be allocated	7	16

30. AS PER ACCOUNTING STANDARD (AS) 17 ON "SEGMENT REPORTING, SEGMENT INFORMATION HAS BEEN PROVIDED AS UNDER:

Primary/ secondary segments:

- The risk-return profile of the Company's business is determined predominantly by the nature of its products and services. Accordingly, the business segments constitute the primary segments for disclosure of segment information.
- In respect of secondary segments information, the Company has identified its geographical segments as (i) domestic and (ii) overseas. The secondary segment information has been disclosed accordingly.

Segment composition:

The Company operates mainly in two segments i.e. Textile & Toll Plaza. The Company is also having Wind Power Plant and some miscellaneous activities operation which is included in Textile Segment. Toll Plaza segment of the Company comprises of collection of user fees by the Company in accordance with the contracts entered into by the Company with the National Highways Authority of India.

Primary segment

Particulars	(₹ in Lacs)					
	Textile		Toll Plaza		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Revenue						
External sales	1,38,736	1,20,128	9,148	21,594	1,47,884	1,41,722
Total Revenue	1,38,736	1,20,128	9,148	21,594	1,47,884	1,41,722
Result						
Segment result	13,440	7,045	(92)	970	13,348	8,015
Interest expense (Net)					5,865	5,414
Profit/ Loss Before Tax					7,483	2,601
Less: Tax Expenses					2,353	893
Net Profit					5,130	1,708
Other Information						
Segment assets	1,10,828	1,09,378	2,280	3,739	1,13,108	1,13,117
Segment liabilities	11,929	10,044	252	505	12,181	10,549
Capital Employed	98,899	99,334	2,028	3,234	1,00,927	1,02,568
Capital expenditure incurred during the year	3,759	16,013	3	72	3,762	16,085
Depreciation (included in segment expenses)	7,681	6,753	17	32	7,698	6,785

Secondary Segment

Particulars	(₹ in Lacs)	
	2012-13	2011-12
Revenue		
Domestic	1,18,446	1,11,638
Export	30,075	30,823
TOTAL	1,48,521	1,42,461

- 30.1 The Company has been awarded toll plazas for collection of user fee in lieu of transferring Central Government's user fee collection rights for the said toll plazas of the National Highway Authority of India. Under these agreements, the operator does not own the road, but gets toll collection rights.



on Financial Statements for the year ended 31st March, 2013 (Contd.)

31. INTEREST IN JOINT VENTURE COMPANY

The Company has the following interest in its Joint Venture Companies:

- I. Keti Sangam Infrastructure (India) Ltd. (Country of Incorporation: India)
The Company is holding 7,80,600 (Previous Year 7,80,600) equity shares of ₹ 10 each at premium of ₹ 90 per equity share [26.02% equity as on 31.03.13 (previous year 26.02%)] in the Joint Venture Company M/s. Keti Sangam Infrastructure (India) Ltd. for execution of BOT Project at Aurangabad National Highway.
- II. PKSS Infrastructure Pvt. Ltd./ Kalyan Sangam Infratech Ltd. (Country of Incorporation: India)
The Company had originally participated in the joint venture for MCD toll collection project i.e. PKSS Infrastructure Pvt. Ltd. and for BOT Project at Thane-Bhiwadi i.e. Kalyan Sangam Infratech Ltd. and the Company holds the investment of ₹ 39,000 in PKSS Infrastructure Pvt. Ltd. by way of 3,900 (Previous Year 3,900) equity shares of ₹ 10 each [2.48% equity as on 31.03.13 (2.48% equity as on 31.03.12)] and ₹ 3.75 lacs in Kalyan Sangam Infratech Ltd. by way of 37,500 (Previous Year 37,500) equity shares of ₹ 10 each [0.75 % equity as on 31.03.13 (0.75 % equity as on 31.03.12)].
- III. The Company's proportionate share in the assets, liabilities, income and expenses of its Joint Venture Company Keti Sangam Infrastructure (India) Ltd. Is 26.02% (Previous Year 26.02%) of the below total:

Balance Sheet

Particulars	As at 31st March 2013		As at 31st March 2012	
	Unaudited		Audited	
(₹ in Lacs)				
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	924		924	
Reserves and Surplus	3,529		4,647	
		4,453		5,571
Share application money pending allotment		103		-
Non-Current Liabilities				
Long Term Borrowings	25,182		25,270	
Deferred Tax Liability (net)	7		7	
		25,189		25,277
Current Liabilities				
Trade Payables	44		38	
Other Current Liabilities / Provisions	56		190	
		100		228
TOTAL		29,845		31,076
ASSETS				
Non-Current Assets				
Fixed Assets				
Tangible Assets	70		85	
Intangible Assets	23,540		24,796	
Non-Current Investments	5,553		5,553	
		29,163		30,434
Current Assets				
Cash and Bank Balances	680		638	
Short Term Loans and Advances	1		2	
Other Current Assets	1		2	
		682		642
TOTAL		29,845		31,076

Statement of Profit and Loss

Particulars	2012-13		2011-12	
	Unaudited		Audited	
INCOME				
Revenue from Operations				
Toll Collection		3,205		3,160
Other Income		129		74
Total Revenue		3,334		3,234
EXPENDITURE :				
Finance Costs		2,517		2,528
Depreciation and Amortisation Expense		1,272		1,274
Other Expenses		663		617
Total Expenses		4,452		4,419
Profit Before Tax		(1,118)		(1,185)
Tax Expenses		-		1
Profit for the year		(1,118)		(1,184)



on Financial Statements for the year ended 31st March, 2013 (Contd.)

32. RELATED PARTY DISCLOSURES

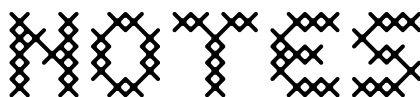
(i) Related Party Transactions

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

Enterprises over which Directors and Relatives of such personnel exercise significant influence	
Associate Company	
Sangam Infratech Ltd.	
Marigold Investments (P) Ltd.	
Sangam Business Credit Ltd.	
Sangam Suitings Pvt. Ltd.	
Mahalaxmi TMT Pvt. Ltd.	
Raj Rajeshwar Enterprises Pvt. Ltd.	
Joint Venture	
Keti Sangam Infrastructure (India) Ltd.	
PKSS Infrastructure Pvt. Ltd.	
Kalyan Sangam Infratech Ltd.	
Key Management Personnel	
Shri R.P. Soni	
Shri S.N. Modani	
Shri V.K. Sodani	
Relative of Key Management Personnel	Relationship
Smt. Radha Devi	Wife of Director Shri R.P. Soni
Ms. Antima Soni	Daughter of Director Shri R.P. Soni
Shri Anurag Soni	Son of Director Shri R.P. Soni
Shri Pranal Modani	Son of Director Shri S.N. Modani
Smt. Mamta Modani	Wife of Director Shri S.N. Modani
Smt. Archana Sodani	Wife of Director Shri V.K. Sodani
Smt. Anjana Thakur	Daughter of Director Shri R.P. Soni
Others	
Shri R.P. Soni HUF	

(ii) Transactions during the year with related parties:

Nature of Transaction	(₹ in Lacs)							
	Salary		Insurance Premium		Rent		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Key Management Personnel	144	94	9	9	-	-	153	103
Relatives of Key Management Personnel	26	5	5	5	9	3	40	13
Others	-	-	-	-	1	1	1	1
TOTAL	170	99	14	14	10	4	194	117



on Financial Statements for the year ended 31st March, 2013 (Contd.)

32. RELATED PARTY DISCLOSURES (Contd.)

Nature of Transaction	(₹ in Lacs)							
	Loan Taken		Interest Paid		Loan Given		Interest Received	
	2013	2012	2013	2012	2013	2012	2013	2012
Associate Company								
(i) Maximum Balance	2000	2000	-	159	4530	-	197	-
(ii) Closing Balance	-	2000	-	-	4530	-	-	-

(₹ in Lacs)

Sale of Goods	2013	2012
Associate Company	476	585

(₹ in Lacs)

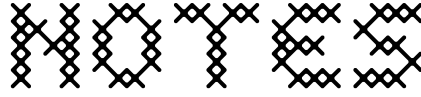
Purchase/Job Charges	2013	2012
Associate Company	245	-

(₹ in Lacs)

Purchase of Capital Goods	2013	2012
Associate Company	43	21

(₹ in Lacs)

	2012-13	2011-12
33. CONTINGENT LIABILITIES AND COMMITMENTS		
(I) Contingent Liabilities		
(A) Disputed liabilities not acknowledged as debts		
Demand for income tax	21	21
(B) Guarantees		
Outstanding Bank Guarantees	2,499	2,811
(C) Other Money for which the company is contingently liable		
(i) Liability in respect of bills discounted with Banks (including third party bills discounting)	481	1,259
(ii) Stamp Duty case with respect to the merger of SPBL & Sangam India Limited pending with Rajasthan High Court, Jodhpur.	109	-
(iii) Sales tax case pending with Tax Board, Ajmer and Dy. Comm. Appeal, Bhilwara.	194	-
(iv) AVVNL case (Power factor matter) pending with Rajasthan High Court, Jodhpur. Power factor Incentives earlier sanctioned on the basis of three digits instead of two digits. Now The AVVNL issued notice for recovery for Difference amount. The Stay granted by Honourable High Court Jodhpur.	39	-
(v) Entry Tax case pending with Rajasthan High Court, Jodhpur. Entry Tax Levied by State Govt. which is challenged due to this Law is against the Constitution. The Company is contingently liable also to the Interest and Penalty, the amount for which is currently uncertain.	287	-



on Financial Statements for the year ended 31st March, 2013 (Contd.)

		(₹ in Lacs)																									
		2012-13	2011-12																								
33.	CONTINGENT LIABILITIES AND COMMITMENTS (Contd.)																										
	(II) Commitments																										
	(A) Estimated amount of contracts (Net of advances) remaining to be executed on capital account and not provided for	2,869	1,352																								
	(B) Obligations In respect of capital goods imported at the concessional rate of duty under the Export Promotion Capital Goods Scheme, the company has an export obligation of approximately ₹1339 Lacs (previous year ₹6840 Lacs), which is required to be met at different dates, before 31.03.2020. In the event of non-fulfillment of the export obligation, the company will be liable to pay customs duties and penalties, as applicable. The company is confident of meeting its export obligation.																										
34.	FINANCIAL AND DERIVATIVE INSTRUMENTS																										
	Financial and Derivative Instruments (For Hedging Currency Risks) and Unhedged Foreign Currency Exposure.																										
	a) Forward contract outstanding as at Balance Sheet Date.																										
	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Currency</th> <th>2013</th> <th>2012</th> <th>Purpose</th> </tr> </thead> <tbody> <tr> <td>Forward Exchange Contract</td> <td>USD</td> <td>\$ 150.69 Lacs</td> <td>\$ 201.34 Lacs</td> <td>Export</td> </tr> <tr> <td>Forward Exchange Contract</td> <td>Euro</td> <td>€ 12.50 Lacs</td> <td>€ 13.48 Lacs</td> <td>Export</td> </tr> <tr> <td colspan="2">Total INR (₹ in Lacs)</td> <td>9,314</td> <td>11,135</td> <td></td> </tr> </tbody> </table>	Particulars	Currency	2013	2012	Purpose	Forward Exchange Contract	USD	\$ 150.69 Lacs	\$ 201.34 Lacs	Export	Forward Exchange Contract	Euro	€ 12.50 Lacs	€ 13.48 Lacs	Export	Total INR (₹ in Lacs)		9,314	11,135							
Particulars	Currency	2013	2012	Purpose																							
Forward Exchange Contract	USD	\$ 150.69 Lacs	\$ 201.34 Lacs	Export																							
Forward Exchange Contract	Euro	€ 12.50 Lacs	€ 13.48 Lacs	Export																							
Total INR (₹ in Lacs)		9,314	11,135																								
	There is no derivative contract for option which is outstanding as at 31.03.2013.																										
	b) Unhedged Foreign Currency Exposure:																										
	<table border="1"> <thead> <tr> <th>Purpose</th> <th>Currency</th> <th>2013</th> <th>2012</th> </tr> </thead> <tbody> <tr> <td>IDBI Foreign currency Loan</td> <td>USD</td> <td>-</td> <td>\$ 2.95 Lacs</td> </tr> <tr> <td>Import (Raw Materials)</td> <td>USD</td> <td>-</td> <td>\$ 0.28 Lacs</td> </tr> <tr> <td>Fixed Assets</td> <td>Euro</td> <td>-</td> <td>€ 17.57 Lacs</td> </tr> <tr> <td>Fixed Assets</td> <td>JPY</td> <td>-</td> <td>JPY 2776.60 Lacs</td> </tr> <tr> <td>TOTAL</td> <td>INR</td> <td>-</td> <td>3184 Lacs</td> </tr> </tbody> </table>	Purpose	Currency	2013	2012	IDBI Foreign currency Loan	USD	-	\$ 2.95 Lacs	Import (Raw Materials)	USD	-	\$ 0.28 Lacs	Fixed Assets	Euro	-	€ 17.57 Lacs	Fixed Assets	JPY	-	JPY 2776.60 Lacs	TOTAL	INR	-	3184 Lacs		
Purpose	Currency	2013	2012																								
IDBI Foreign currency Loan	USD	-	\$ 2.95 Lacs																								
Import (Raw Materials)	USD	-	\$ 0.28 Lacs																								
Fixed Assets	Euro	-	€ 17.57 Lacs																								
Fixed Assets	JPY	-	JPY 2776.60 Lacs																								
TOTAL	INR	-	3184 Lacs																								
35.	In the opinion of Management, there is no impairment of assets in accordance with accounting standard (AS-28) as on Balance sheet date.																										
36.	The company has been entitled for capital subsidy on the amount of Investment in Plant & Machinery, i.e. 10% of the basic price of Machinery. The amount of Capital subsidy deducted from Gross Value of Plant & Machinery is ₹17 Lacs (Previous Year ₹380 Lacs).																										
37.	The figures of the previous period have been re-grouped / re-arranged and / or recast wherever found necessary.																										

As per report of even date attached

For **R. Kabra & Co.**

Chartered Accountants

(Registration No. 104502W)

(R.L. Kabra)

Partner

M.Ship No. 016216

Camp : Bhilwara

Date: April 25, 2013

For **B.L. Chordia & Co.**

Chartered Accountants

(Registration No. 000294C)

(B.L. Chordia)

Partner

M.Ship No. 010882

Place : Bhilwara

Date: April 25, 2013

For and on behalf of the Board

(R.P. Soni)

Chairman

(G.C. Jain)

President

(S.N. Modani)

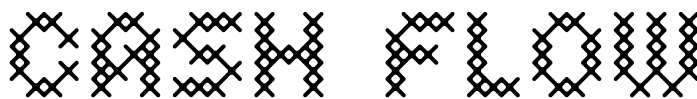
Managing Director

(Anil Jain)

Jt. President (Fin.) & Secretary

(V.K. Sodani)

Executive Director



statement For the Year ended 31st March, 2013

	Current Year	Previous Year
(₹ in Lacs)		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	7,483	2,601
Adjustments for		
Depreciation and Amortisation Expense	7,698	6,785
Finance costs	6,867	6,653
Interest income	(1,002)	(1,239)
Provision for Doubtful Debts & advances	45	30
Loss on sale of fixed assets (net)	22	693
Operating Profit before working capital changes	21,113	15,523
Adjustment for		
Inventories	(1,205)	3,652
Trade & Other Receivables	(4,466)	3,124
Trade & Other Payables	1,541	(167)
Cash Generated from Operations	16,983	22,132
Taxes Paid	1,454	722
Net Cash Inflow /(Out Flow) from Operating Activities	15,529	21,410
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3,762)	(16,085)
Sale of fixed assets	333	297
Interest income	394	558
Net Cash Inflow/(Outflow) from Investing Activities	(3,035)	(15,230)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings (net)	(7,060)	3,289
Increased/Decreased in Short- term Borrowings	1,204	(2,929)
Finance costs	(6,867)	(6,653)
Interest income	608	681
Dividend paid (including tax on dividend)	(461)	(688)
Net Cash Inflow /(Out Flow) from Financing Activities	(12,576)	(6,300)
Net Increase/(Decrease) in Cash & Cash equivalents	(82)	(120)
Cash and Cash equivalents at the beginning	899	1,019
Cash and Cash equivalents at the end	817	899

As per report of even date attached

For **R. Kabra & Co.**Chartered Accountants
(Registration No. 104502W)**(R.L. Kabra)**

Partner

M.Ship No. 016216

Camp : Bhilwara

Date: April 25, 2013

For **B.L. Chordia & Co.**Chartered Accountants
(Registration No. 000294C)**(B.L. Chordia)**

Partner

M.Ship No. 010882

Place : Bhilwara

Date: April 25, 2013

For and on behalf of the Board

(R.P. Soni)

Chairman

(G.C. Jain)

President

(S.N. Modani)

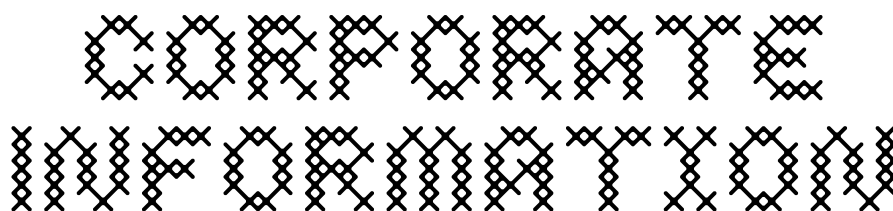
Managing Director

(Anil Jain)

Jt. President (Fin.) & Secretary

(V.K. Sodani)

Executive Director



BOARD OF DIRECTORS

R. P. Soni	Chairman
S. N. Modani	Managing Director
V. K. Sodani	Executive Director
Ramawatar Jaju	Director
A. Karati	Director
T. K. Mukhopadhyay	Director

MANAGEMENT TEAM

Anurag Soni	Chief Business Strategist
G. C. Jain	President
S. M. Gupta	President (Works)
Anil Sharma	President (Works)
Sanjeev Joshi	President (Domestic Marketing)
Anil Jain	Jt. President (Finance) & Company Secretary
L. L. Soni	Jt. President (Finance & Investor Relations)
Chirag Bhatt	Jt. President (Denim)
P. R. Khator	Sr. Vice President (Commercial)
Lalit Jain	Sr. Vice President (Accounts)
M. Bhanu Pratap	Sr. Vice President (TPP)
S. K. Bagela	Sr. Vice President (Technical)
N. K. Kavadia	Vice President (Commercial)
R. M. Sinduria	Vice President (Commercial)
Dilip Kumar Jain	Vice President (Liaisoning)
S. K. Jain	Vice President (Personnel)
B. S. Kushwah	Vice President (HRM)
M. S. Shekhawat	Vice President (IT)
Sunil Rathi	Vice President (Marketing)
Jyotirmay Garg	Vice President (Export Marketing)
Surender Chandna	Vice President (Works)
R. K. Pant	Vice President (Technical)
R. D. Yadav	Vice President (Technical)
Qamrul Abedin	Vice President (Technical)
D. K. Sukhwai	Vice President (Engineering)
A. K. Somani	Vice President (Engineering)
B. B. Singh	Vice President (Engineering)
J. S. Kushwaha	Vice President (Maintenance)
B. Pavithran	Vice President (R & D)

AUDITORS

R. Kabra & Co.	Mumbai
B. L. Chordia & Co.	Bhilwara

BANKERS

State Bank of India	IDBI Bank Ltd.
State Bank of Patiala	Oriental Bank of Commerce
State Bank of Hyderabad	Union Bank of India
State Bank of Bikaner & Jaipur	Central Bank of India
Bank of Baroda	Exim Bank
Corporation Bank	

REGISTERED OFFICE

Atun, Chittorgarh Road,
Bhilwara - 311001, Rajasthan
Tel No.: 01482-304000, 267150, 304188
Fax: 01482-304120
e-mail: secretarial@sangamgroup.com

PRINCIPAL & HEAD OFFICE

B/306-309, Dynasty Business Park
Andheri Kurla Road,
J B Nagar Andheri (E)
Mumbai 400 059, INDIA
Tel No : +91-22- 6111 5222/ 5200
Fax No.: +91-22- 2822 7865/ 6111 5265

WORKS

Spinning Unit I

Village Biliya Kalan, Chittorgarh Road,
Bhilwara - 311 001, Rajasthan

Spinning Unit II

91, Km Stone, N.H No. 79, Village Sareri
Distt : Bhilwara - 311 024, Rajasthan

Weaving & Processing Unit

Village Atun, Chittorgarh Road,
Bhilwara - 311 001, Rajasthan

Denim Unit

Village Biliya Kalan, Chittorgarh Road
Bhilwara - 311 001, Rajasthan



Sangam (India) Limited

www.sangamgroup.com

NOTICE TO THE MEMBERS

NOTICE IS HEREBY GIVEN THAT THE 27TH ANNUAL GENERAL MEETING OF THE MEMBERS OF "SANGAM (INDIA) LIMITED" WILL BE HELD ON MONDAY THE 30TH SEPTEMBER, 2013 AT 4.00 P.M. AT ITS REGISTERED OFFICE AT ATUN, CHITTORGARH ROAD, BHILWARA - 311 001 (RAJ.) TO TRANSACT THE FOLLOWING BUSINESS :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31st, 2013, Profit & Loss Account for the year ended on that date and Directors' report together with Auditors' report thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Achintya Karati, who retires by rotation and being eligible offer himself for re-appointment.
4. To appoint M/s R. Kabra & Company, Chartered Accountants and M/s B.L. Chordia & Company Chartered Accountants, the retiring Auditors of the Company, as Joint Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. Revision in terms of remuneration of Shri V.K. Sodani, Executive Director

To consider and if, thought fit, to pass, with or without modification the following resolution as Special Resolution:-

RESOLVED THAT in modification of Resolution No. 5 passed at the Annual General Meeting of the Company held on 28th September, 2012 for re-appointment of Shri V.K. Sodani, Executive Director of the company and pursuant to the provisions of Section 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 ("Act"), as amended or re-enacted from time to time, read with Schedule XIII of the Act, the Company hereby approves of the revision in the terms of remuneration of Shri V.K. Sodani, Executive Director of the Company by providing commission @ 0.25% of the net profits of the Company w.e.f. financial year 2013-14 in addition to his remuneration as approved in the Annual General Meeting held on 28th September, 2012 for the remainder of his tenure.

RESOLVED FURTHER that the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.

By Order of the Board of Directors
(Anil Jain)

Date: 26th July, 2013

Place: Bhilwara

Jt. President (Finance) & Company Secretary

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and such proxy need not be a member of the company. The instrument of proxy, in order to be effective, should be duly stamped, completed and signed and must be deposited at the registered office of the company not less than 48 hours before the time for holding the aforesaid meeting.
2. The relevant explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of item No. 5 of the Notice set out above, is annexed hereto.
3. The company's Register of members and share transfer books shall remain closed from Monday the 23rd September, 2013 to Monday the 30th September, 2013 (both days inclusive) to decide the entitlement of shareholders for the payment of dividend in accordance with the recommendation of the Board of Directors.
4. The Company has listed its Shares at:
 - (i) Bombay Stock Exchange Ltd., Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.
 - (ii) The National Stock Exchange of India Limited, Trade World, Senapati, Bapat Marg, Lower Parel, Mumbai-400 051.The listing fees of these Exchanges have been paid regularly.
5. All documents referred to in the accompanying notice are open for inspection at the registered office of the company in all working days except Saturday and holidays, between 11.00 A.M. to 1.00 P.M. up to the date of Annual General Meeting.

6. Dividend as recommended by the Directors for the year ended 31st March, 2013, if approved, will be payable to those members, whose names appear in the Register of Members as at the close of business on Saturday the 21st September, 2013 and in respect of shares held in dematerialized form, as per the list of beneficial owners furnished to the Company by NSDL/CDSL, as at the close of business on Friday, 20th September, 2013. The dividend warrants will be credited/posted on or about 5th October, 2013.
7. Investors holding the shares in physical form should provide the National Electronic Clearing Service (NECS) mandate to the Company and investors holding the shares in demat form should ensure that correct and updated particulars of their bank account are available with the Depository Participant (DP). This would facilitate in receiving direct credits of dividends, refunds etc., from companies and avoid postal delays and loss in transit. Investors must update their new bank account numbers allotted after implementation of Core Banking Solution (CBS) to the Company in case of shares held in physical form and to the DP in case of shares held in demat form.
8. Members who have not yet encashed dividend warrants for the year 2006-07 and for any subsequent year are advised to send the same to the Company for revalidation, dividend amount remaining unclaimed for a period of seven years from the dates they became first due for payment shall be transferred to the "Investor Education and Protection Fund" (IEPF) of Central Government in terms of Section 205C of the Companies Act, 1956. Members are requested to note that no claim shall lie against the Company or IEPF in respect of any unclaimed dividend amount transferred to IEPF.
9. Members desirous of making nomination as permitted under Section 109A of the Companies Act, 1956 in respect of the shares held by them in the company, can make the nomination in Form 2B.
10. The ministry of Corporate Affairs (MCA), Govt. of India, has undertaken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by companies through electronic mode, vide its circulars dated April 21, 2011 and April 29, 2011. To take part in the above 'Green Initiative', your Company proposes to send communications/documents including Notices for General Meetings and Annual Reports from time to time in electronic mode to those members who have provided their e-mail addresses to their Depository Participants (DP).
The members who have yet not registered their email addresses are requested to register/update their e-mail addresses in respect of equity shares held by them in demat form with their respective DPs and in the case of physical form with the company.
11. A statement containing details of Re-appointee Director are attached herewith.

By Order of the Board of Directors

(Anil Jain)

Jt. President (Finance) & Company Secretary

Date: 26th July, 2013

Place: Bhilwara

ANNEXURE TO THE NOTICE

Explanatory Statement

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 5 :

Taking into consideration the increased business activities of the Company and the responsibilities cast on Shri V.K.Sodani and subject to necessary approval by the Members in the General Meeting and on recommendation of the Remuneration Committee in its Meeting held on 26th July, 2013, the Board of Directors on 26th July, 2013 insert the following terms in the remuneration terms of Shri V.K.Sodani as Executive Director as per the Agreement executed between the Company and Shri V.K.Sodani, Executive Director w.e.f. financial year 2013-14:

Commission:

Not more than 0.25% of the net profits of the company as computed in the manner laid down in Section 309(5) of the Companies Act, 1956 as approved by the Board.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under Section 198, 309, 310 and all other applicable provisions, if any, of the Act, read with Schedule XIII of the Act as amended from time to time.

All other terms and conditions relating to the appointment of Shri V.K.Sodani as approved by the members of the company will remain unchanged.

In compliance with the provisions of Sections 198, 309, 310 and all other applicable provisions, if any, of the Act, read with Schedule XIII of the Act, the revised terms of remuneration of Shri V.K. Sodani as specified above are now being placed before the members for their approval.

This may be treated as an abstract of the draft agreement between the Company and Shri V.K.Sodani for revision in his remuneration pursuant to section 302 of the Act.

The Board commends the resolution at item No. 5 for approval by the Members.

Memorandum of Interest of Directors:

Apart from Shri V.K. Sodani, Shri R.P.Soni may be deemed to be concerned or interested in the said resolution. Shri V.K. Sodani is son in law of Shri R.P. Soni, Director of the Company.

The above particulars may be treated as an abstract under section 302 of the Companies Act, 1956.

None of the other Directors of the company is in any way concerned or interested in the said resolution.

By Order of the Board of Directors

(Anil Jain)

Date: 26th July, 2013

Jt. President (Finance) & Company Secretary

Place: Bhillwara

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT AGM FIXED ON 30TH SEPTEMBER, 2013

Name of Director	Shri Achintya Karati
Date of Birth	23.03.1946
Date of Appointment	29.08.2007
Expertise in specific functional areas	Legal, Finance & Investments
Qualifications	B.Com., LL.B.
List of outside Directorship held	<ol style="list-style-type: none"> 1. Uflex Ltd. 2. Shyam Telecom Ltd. 3. J.K. Cement Ltd. 4. Tech Process Solutions Ltd. 5. Delton Cables Ltd. 6. Jay Bharat Maruti Ltd.
Member of the Committee of the Board of Directors of other companies	<ol style="list-style-type: none"> a. Audit Committee <ul style="list-style-type: none"> • Shyam Telecom Ltd. • J.K. Cement Ltd. • Tech Process Solutions Ltd. • Uflex Ltd. • Jay Bharat Maruti Ltd. b. Remuneration Committee <ul style="list-style-type: none"> • J.K. Cement Ltd. • Uflex Ltd. c. Investor Grievance Committee Nil



Sangam (India) Limited

Registered Office: Atun, Chittorgarh Road, Bhilwara - 311 001 (Rajasthan)

Ph.: +91 1482 304000, 267150, 304188, Fax: +91 1482 304120, email : secretarial@sangamgroup.com, website: www.sangamgroup.com

ATTENDANCE SLIP

27th Annual General Meeting at the Regd. Office at Atun, Chittorgarh Road, Bhilwara - 311 001 (Rajasthan) on Monday, the 30th September 2013 at 4:00 PM.

Name of the Member

Registered Folio No. No. of Shares

Client ID No.

DP ID No.

Name of the Proxy

Signature of the Member or Proxy

Note: The Member/Proxy/Representative attending the 27th Annual General Meeting of the Company is requested to bring this slip duly filled in and present the same at the entrance to the Meeting.



Sangam (India) Limited

Registered Office: Atun, Chittorgarh Road, Bhilwara - 311 001 (Rajasthan)

Ph.: +91 1482 304000, 267150, 304188, Fax: +91 1482 304120, email : secretarial@sangamgroup.com, website: www.sangamgroup.com

PROXY

I/We of

in the District of being a member /members of the above named Company hereby appoint

..... of in the District of

..... or failing to him/ her of

in the District of as my/ our proxy/proxies to vote for me/us on my/our behalf at the 27th Annual General Meeting of the Company to be held at Atun, Chittorgarh Road, Bhilwara - 311001 (Rajasthan) on Monday, the 30th September, 2013 at 4:00 PM and at any adjournment thereof.

Registered Folio No

Client ID No

DP ID No.

No. of Shares

Affix Re.1/- Revenue Stamp

Note: This Proxy Form in order to be effective should be duly filled in, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting. The Proxy need not be a member of the Company.



BOOK POST



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Sangam (India) Limited

www.sangamgroup.com



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Sangam (India) Limited

B/306-309, Dynasty Business Park,

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Mumbai-400059 (Mh.) India