

SANGAM (INDIA) LIMITED

CIN : L17118RJ 1984PLC 003173

E - mail : secretarial@sangamgroup.com

Website : www.sangamgroup.com | Ph : +91-1482-245400-06



Value through values

Ref: SIL/SEC/2023-24

Date: 31st August, 2023

| | |
|--|--|
| The Manager Department of Corporate Services The National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block Bandra Kurla Complex, Bandra (E) <u>MUMBAI - 400 001</u> <u>Scrip Code: 5251</u> | The Manager, Department of Corporate Services, Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers 25th Floor, Dalal Street, <u>MUMBAI - 400 001</u> <u>Scrip Code: 514234</u> |
|--|--|

Sub: • Regulation 34 – Notice of the 37th Annual General Meeting & Annual Report for the year 2022-23

- **Intimation of cut-off date of 15th September, 2023 to determine the eligibility of the members to cast their vote through remote e-Voting and e-Voting during 37th Annual General Meeting and dividend for the FY 2022-23**

Dear Sir,

We wish to inform that the Thirty Seventh (37th) Annual General Meeting ("AGM") of the Members of the Company will be held on Friday, 22nd September, 2023 at 4:00 P.M (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), in accordance with the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the applicable circulars issued by the Ministry of Corporate Affairs.

Please find enclosed Notice of the 37th AGM and the Annual Report for the year 2022-23 including the Audited Financial Statements for the year ended 31st March, 2023 ("Annual Report"), being sent by email to those Members whose email addresses are registered with the Company / Depository Participant(s). The requirements of sending physical copy of the Notice of the AGM and Annual Report to the Members have been dispensed with vide MCA Circular/s and SEBI Circular. The Notice of the 37th AGM and the Annual Report are also being uploaded on the website of the Company at www.sangamgroup.com.

Pursuant to the provisions of Regulation 42 of the Listing Regulations, Friday, 15th September, 2023 has been fixed as the 'Record Date', for the purpose of determining the Members eligible to receive dividend on the equity shares, for the financial year ended 31st March, 2023, as recommended by the Board of Directors of the company.

The remote e-voting will be available from Monday, 18th September, 2023 (at 9:00 A.M. IST) and ends on Thursday, 21st September, 2023 (at 5:00 P.M. IST). Voting at AGM is also available through e-voting.

SANGAM (INDIA) LIMITED

CIN : L17118RJ 1984PLC 003173

E - mail : secretarial@sangamgroup.com

Website : www.sangamgroup.com | Ph : +91-1482-245400-06



Value through values

Please find the same and take the same on record.

Thanking you.

Yours faithfully
For Sangam (India) Limited

A.K. Jain
Company Secretary
FCS – 7842



Value through values

Sangam (India) Limited

Regd. Off: Atun, Chittorgarh Road, Bhilwara-311001 (Raj.)

CIN: L17118RJ1984PLC003173 Phone: 01482-245400-06

Web: www.sangamgroup.com, Email: secretarial@sangamgroup.com

Notice

NOTICE is hereby given that the 37th Annual General Meeting of the Members of Sangam (India) Limited will be held on Friday, 22nd September, 2023 at 4.00 P.M. (IST) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended 31st March, 2023 together with the Reports of the Board and Auditors thereon.

2. Declaration of Dividend

To declare a dividend of ₹ 2.00 per equity share for the year ended 31st March, 2023.

3. Re-appointment of Mr. V.K. Sodani (DIN: 00403740) as a Director, liable to retire by rotation

To appoint a Director in place of Mr. V.K. Sodani (DIN: 00403740) who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Appointment of Dr. S.N. Modani (DIN: 00401498) as a Whole Time Director designated as Vice Chairman of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules made thereunder including the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions as may be prescribed by any of the concerned authorities (if any) while granting such approvals, the consent of the members of the Company, be and is hereby accorded to the appointment of Dr. S.N. Modani (DIN: 00401498) as Whole-time Director

designated as Vice Chairman of the Company for a period of five years effective from 10th August, 2023 at the remuneration and on such other terms and conditions as set out in the statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter and / or vary the terms and conditions of the said appointment and / or enhance, enlarge, alter or vary the scope and quantum of remuneration including commission, perquisites, benefits and amenities payable to Dr. S.N. Modani which shall be in accordance with the provisions of the Act and the prescribed rules made thereunder (including any statutory modifications(s) or re-enactment thereof), for the time being in force, subject to the same not exceeding the limits specified in this resolution.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V of the Act or any other relevant Statutory enactment(s) thereof in this regard, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit subject to that the same does not exceed the ceiling as provided in the said resolution and the said agreement between the Company and Dr. S.N. Modani be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members for their approval in the general meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto."

5. Appointment of Mr. Anurag Soni (DIN: 03407094) as Managing Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules made



Notice (Contd.)

thereunder, including the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions as may be prescribed by any of the concerned authorities (if any) while granting such approvals, the approval of the members of the Company, be and is hereby accorded to the appointment of Mr Anurag Soni (DIN: 03407094) as Managing Director of the Company for a period of 5 (Five) years effective from 10th August, 2023 at the remuneration and on such other terms and conditions as set out in the statement annexed to the Notice convening this Meeting and he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter and/ or vary the terms and conditions of the said appointment and/or enhance, enlarge, alter or vary the scope and quantum of remuneration including commission, perquisites, benefits and amenities payable to Mr Anurag Soni which shall be in accordance with the provisions of the Act and the prescribed rules made thereunder (including any statutory modifications(s) or re-enactment thereof), for the time being in force, subject to the same not exceeding the limits specified in this resolution.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V of the Act or any other relevant Statutory enactment(s) thereof in this regard, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit subject to that the same does not exceed the ceiling as provided in the said resolution and the said agreement between the Company and Mr Anurag Soni be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members for their approval in the general meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto."

6. To approve the increase in borrowing limits of the Company under Section 180(1)(c) of the Companies Act, 2013

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT in supersession of the earlier resolution passed at the general meeting held on 30th September, 2014 and pursuant to the provisions of section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") for borrowing from time to time any sum or sums of moneys on such terms and conditions and with or without security as the Board of Directors may deem fit which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves and securities premium,, provided that the total amount of money/ moneys so borrowed shall not exceed ₹ 2000 Crore (Rupees Two Thousand Crore Only).

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

7. To approve creation of charge/mortgage under section 180(1)(a) of Act, 2013

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT in supersession of the earlier resolutions passed and pursuant to the provisions of section 180(1)(a) and all other applicable provisions if any of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof) and in terms of Articles of Association of the Company, the consent of the

members be and is hereby accorded to the Board of Directors of the Company (hereinafter "the Board") for mortgaging/charging all or any of the immovable and movable properties of the Company both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to between the Board and Lender(s) to secure the loans /borrowings obtained or as may be obtained, which may exceed the paid-up capital and free reserves in the ordinary course of business but not exceeding ₹ 2000 Crore (Rupees Two Thousand Crore Only) at any point of time.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds and things as it may in its absolute discretion may deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the charge/mortgage aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

8. To amend the Employee Stock Option Plan, 2022 and to approve changes in the scheme of Employee Stock Option Scheme, 2022 of the Company ("ESOP")

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act") and the applicable Rules framed thereunder, including any amendment thereto or re-enactment thereof and including any regulations, guidelines, circulars and notifications issued thereunder and Regulation 6(1) and other applicable provisions, if any, of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI (SBEB & SE) Regulations, 2021"), the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations"), relevant provisions of Memorandum and Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to increase the present pool of Employees stock options from 10,00,000 (Ten Lakhs) to 22,50,000 (Twenty Two Lakhs Fifty Thousand) under the Sangam (India) Limited Employee Stock Option Scheme, 2022 (Sangam ESOP Scheme, 2022).

RESOLVED FURTHER THAT out of the revised overall pool of 22,50,000 Shares, the Trust will acquire 80% quantity of Shares by the way of Secondary Acquisition and/or 20% by fresh allotment from the Company.

RESOLVED FURTHER THAT the terms of amendments of the scheme set out in Explanatory Statement annexed to the Notice convening this Meeting be and are hereby approved

RESOLVED FURTHER THAT it is hereby noted that the terms of amendments are not prejudicial to the interests of the option holders.

RESOLVED FURTHER THAT without prejudice to the generality of the above the Board or any Committee of Board or any other authority designated by Board be and is hereby authorised to administer, superintend and implement the Scheme, in its absolute discretion and to settle all questions, difficulties or doubts that may arise in relation to the implementation and formulation of the Scheme without being required to seek further shareholders approval.

RESOLVED FURTHER THAT the Board or any other authority delegated by Board, be and is hereby authorised to make further modifications, changes, variations, alterations or revisions in the Scheme, as it may deem fit, from time to time or to suspend, withdraw or revive the Scheme, from time to time, in conformity with the provisions of the Act and other applicable rules, regulations, guidelines and laws, unless such variation, amendment, modification or alteration is detrimental to the interest of the employees who have been granted stock options under the Scheme;

RESOLVED FURTHER THAT Board of directors or Company Secretary of the Company be and are hereby severally authorised to do all acts, deeds, matters and things as considered necessary and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolutions."

9. To rectify the discrepancies noted in Extra ordinary General Meeting held on 13th November, 2021 and Resolution passed for Preferential issue of 57,00,000 Share warrants :

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

"RESOLVED THAT the consent of the shareholder of the Company be and is hereby accorded to the Board of Directors to rectify the resolution passed in at Extra-Ordinary General Meeting of the Company held on



Notice (Contd.)

13th November, 2021, (herein referred as "Notice") for seeking approval for Issuance of warrants convertible into equity shares to investors, promoters and promoter group of the Company on preferential basis.

RESOLVED FURTHER THAT in the aforesaid notice & resolution, the aggregating amount of warrants that a company can issue and allot was ₹ 103 Crore or ₹ 1,03,00,00,000 (Rupees One Hundred three Crore Only), which wherever appearing in the notice containing the resolution and explanatory Statement be and is hereby rectified/substituted with amount of ₹ 1,02,60,00,000 (Rupees One Hundred two Crore and Sixty Lakhs Only).

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

10. To ratify the Remuneration of the Cost Auditors for the Financial Year 2023-24

To consider and if thought fit, to pass, the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the payment of the remuneration of ₹ 1,10,000/- (Rupees One Lakhs Ten Thousand only) plus applicable GST and reimbursement of actual out of pocket expenses to M/s K.G. Goyal & Co., Cost Accountants (Firm Registration No. 000017), who were appointed by the Board of Directors of the Company as "Cost Auditors" to conduct the audit of the cost records of all the units of the Company for the financial year 2023-24 be and is hereby ratified and approved.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

By Order of the Board of Directors

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

Date: 10th August, 2023
Place: Atun, Chittorgarh road
Bhilwara, (Raj.) 311001

NOTES:

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") in respect of the business under Item No. 4 to 10 set out above and details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India in respect of Directors seeking re-appointment at this Annual General Meeting are annexed hereto.
2. The 37th Annual General Meeting (AGM) is convened through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") pursuant to General Circular numbers 14/2020, 17/2020, 22/2020, 33/2020, 39/2020, 10/2021, 20/2021, 02/2022 and 10/2022 dated 08.04.2020, 13.04.2020, 15.06.2020, 29.09.2020, 31.12.2020, 23.06.2021, 08.12.2021, 05.05.2022 and 28.12.2022 respectively, issued by the Ministry of Corporate Affairs (MCA) and SEBI Circular dated 12.05.2020, 15.01.2021, 13.05.2022, 03.06.2022 and 05.01.2023 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as 'Circulars'), which allow the companies to hold AGM through VC/OAVM, which does not require physical presence of members at a common venue. The deemed venue for the 37th AGM shall be the Registered Office of the Company i.e. Atun, Chittorgarh Road, Bhilwara- 311001 (Rajasthan).
3. In compliance with the aforesaid Circulars, the Notice of 37th AGM along with the Annual Report for the financial year 2022-23 is sent only through electronic mode to those Members whose E-mail addresses are registered with the Company / Depositories / RTA as on 25th August, 2023. The AGM notice and Annual Report of the Company are made available on the Company's website at www.sangamgroup.com and also on the website of the Stock Exchanges where the shares of the Company have been listed viz., BSE Limited - www.bseindia.com and National Stock Exchange of India Limited - www.nseindia.com.
4. Though a Member entitled to attend and vote at the meeting, is entitled to appoint one or more proxies (proxy need not be a member of the Company to attend and vote instead of himself / herself), the facility of appointment of Proxies is not available as the AGM is convened through VC / OAVM.
5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. In case of joint holders only such joint holder who is higher in the order of names will be entitled to vote during the meeting.

Notice (Contd.)

7. The Company's Register of members and share transfer books shall remain closed from Saturday, the 16th September, 2023 to Friday, the 22nd September, 2023 (both days inclusive) to decide the entitlement of shareholders for the payment of dividend in accordance with the recommendation of the Board of Directors.
8. Effective from 1st April, 2020, dividend income is taxable in the hands of shareholders. Hence the Company is required to deduct tax at source [TDS] from the amount of dividend paid to shareholders at the prescribed rates. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to investor@bigshareonline.com on or before 16th September, 2023. Further no tax shall be deducted on the dividend payable to a resident individual shareholder if the total amount of dividend to be received from the Company during the financial year 2023-24 does not exceed ₹ 5,000/- . Shareholders may note that in case PAN is not updated with the Depository Participant/RTA, the tax will be deducted at a higher rate of 20%

Non-resident shareholders can avail beneficial tax rates under Double Tax Avoidance Agreement [DTAA] i.e. tax treaty between India and their country of residence. Non-resident shareholders are required to provide details on applicability of beneficial tax rates and provide following documents:

- Copy of PAN card, if any, allotted by Indian Income Tax Authorities duly self-attested by the member.
- Copy of Tax Residency Certificate [TRC] for the 2022-23 obtained from the revenue authorities of country of tax residence duly attested by the member.
- Self-Declaration in Form 10-F.
- No PE [permanent establishment] certificate.
- Self-declaration of beneficial ownership by the non-resident shareholder.
- Lower withholding Tax certificate, if any, obtained from the Indian Tax Authorities.

The members/shareholders are required to provide above documents/declarations by sending an E-mail to investor@bigshareonline.com on or before 16th September, 2023. The aforesaid documents are subject to verification by the Company and in case of ambiguity, the Company reserves its right to deduct the TDS as per the rates mentioned in the Income Tax Act, 1961. In case of Foreign Institutional Investors / Foreign Portfolio Investors tax will be deducted under Section 196D of the Income Tax Act @20% plus applicable surcharge and cess.

9. Members wish to claim dividends that remained unclaimed are requested to correspond with the RTA/ Company Secretary. Members are requested to note that dividends that are not claimed within 7 years from the date of transfer to the Company's unpaid dividend account, will be transferred to the Investor Education and Protection Fund (IEPF) as per section 124 of the Act. Shares on which dividends remain unclaimed for seven consecutive years will also be transferred to the IEPF as per section 124 of the Act and the applicable rules.
10. Members' dividend as recommended by the Board of Directors for the year ended 31st March, 2023, if declared at the meeting will be paid within 30 days of the date of declaration of dividend to those members whose names appear as the beneficial owners at the end of the business hours on Friday, the 15th September, 2023 in the list of beneficial owners to be furnished by depositories (NSDL & CDSL) in respect of the shares held in electronics form.
11. Members are requested to note that, in order to avoid any loss/ interception in postal transit and also to get prompt credit of dividend through National Electronic Clearing Service (NECS) / Electronic Clearing Service (ECS) they should submit their NECS / ECS details to the Company's RTA. The requisite NECS /ECS application form can be obtained from the Company's RTA. Alternatively, Members may provide details of their bank account quoting their folio numbers, to the Company's RTA to enable them to print such details on the dividend warrants.
12. As a part of the green initiatives the Members, who have not yet registered their E-mail addresses, are requested to register their E-mail addresses with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form. Upon such Registration, all communication from the Company/RTA will be sent to the registered E-mail address.
13. Members are requested to intimate, indicating their folio number, the changes, if any, in their registered address, either to the Company's Registrar and Share Transfer Agents or to their respective Depository Participant ("DP") in case the shares are held in dematerialised form.
14. As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's RTA. In respect of shares held in demat form, the nomination form may be filed with the respective DP.



Notice (Contd.)

15. As per Regulation 40 of SEBI (LODR) Regulations, 2015 as amended, securities of listed companies can be transferred only in dematerialised form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. Hence, the Members holding shares in physical form are requested to consider converting their holdings in the dematerialised form. The Members who are desirous to convert their physical holdings into dematerialised form, may contact the Depository Participant of their choice.
16. The Register of Directors and KMP and their shareholding and Register of contracts or arrangements in which Directors are interested maintained under Sections 170 and 189 of the Companies Act, 2013 respectively will be available electronically for inspection by the members at the AGM.
17. Updation of Members' details: The format of the Register of Members prescribed by the MCA under the Act requires the Company/RTA to record additional details of Members, including their PAN details, E-mail address, bank details for payment of dividend, etc. Members holding shares in physical form are requested to furnish the above details to the Company or RTA. Members holding shares in electronic form are requested to furnish the details to their respective DP.
18. The members / investors may send their complaints/ queries, if any to the Company's RTA at investor@bigshareonline.com or to the Company at secretarial@sangamgroup.com
19. CS Brij Kishore Sharma, Practicing Company Secretary (Membership No. FCS-6206) has been appointed as the Scrutiniser for the conduct of remote e-voting and e-voting process to be carried out at the AGM of the Company in a fair and transparent manner.
20. Since the AGM being held through VC/OAVM, the Route Map, Attendance Slip and proxy form are not attached to this Notice.
21. Voting Options

E-Voting System – For e-voting and attending the 37th AGM

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and in terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 in relation to e-voting facility provided by Listed Entities, the Company is providing facility

- of remote e-voting to its Members in respect of the business to be transacted at the 37th AGM, through the remote e-voting services provided by Central Depository Services (India) Limited (CDSL).
2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
4. Pursuant to MCA Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
5. In line with the Ministry of Corporate Affairs (MCA) Circulars the Notice calling the AGM has been uploaded on the website of the Company at www.sangamgroup.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
6. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars issued from time to time.
7. In continuation of the MCA 10/2022 dated 28th Dec 2022 and after due examination, it has been decided to allow companies whose EGM/AGM were due to be held in the year 2023, or become due in the year 2023, to conduct their EGM/AGMs through VC/OAVM.

Notice (Contd.)

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- (i) The remote e-voting period begins on 18th September, 2023 at 9.00 AM and ends on 21st September, 2023 at 5.00 PM & on Friday, 22nd September, 2023 (within 30 minutes after conclusion of AGM). During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date 15th September, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09th December, 2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none">1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |



Notice (Contd.)

| | |
|--|---|
| <p>Individual Shareholders holding securities in demat mode with NSDL</p> | <ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting |
| <p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p> | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33 |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30. |

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

Notice (Contd.)

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

| | For Physical shareholders and other than individual shareholders holding shares in Demat. |
|---|--|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> ● Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> ● If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field. |

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant "Sangam (India) Limited" on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cDSLindia.com.



Notice (Contd.)

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser and to the Company at the email address viz; bksharma162@gmail.com and secretarial@sangamgroup.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **5 (Five) days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at secretarial@sangamgroup.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **5 (Five) days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at secretarial@sangamgroup.com. These queries will be replied to by the Company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial@sangamgroup.com
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending EGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33.

Notice (Contd.)

All grievances connected with the facility for voting by electronic means may be addressed to Company. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 1800 22 55 33.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4:

Dr. S.N. Modani was re-appointed as Managing Director of the Company for a period of five years w.e.f. 1st October, 2022 on the remuneration including perquisites set out in the resolution passed at the 36th Annual General Meeting of the Company held on 29th September, 2022.

On the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company has resolved in its meeting held on 10th August, 2023 to appoint Dr. S.N. Modani as Whole Time Director designated as Vice Chairman of the Company for a period of five years effective from 10th August, 2023 on the terms and conditions which are set out in this explanatory statement and draft agreement. By the proposed resolution, approval of the shareholders is sought to the appointment of Dr. S.N. Modani as Whole Time Director designated as Vice Chairman of the Company for a period of Five years.

Dr. Modani holds a PhD in strategic management practices for a sustainable future, along with a Masters Science (M.Sc), with honours in Chemistry, as well as an MBA qualification along with a Post-Graduate Diploma in Cement Technology from NCBM, Faridabad.

He has a rich experience in the textile industry, having previously held positions in key organizations such as Chairman at The Rajasthan Textile Mills Association, Director at Indian Cotton Mills Federation, President, Mewar Chamber of Commerce & Industry and Vice President, Rajasthan Chamber of Commerce & Industry.

Dr. Modani's stints include association with some of India's leading industry bodies. He has been a Committee Member (Leaders Forum) of the Federation of Indian Chambers of Commerce & Industry (FICCI) and Member of the HRD Committee of FICCI. During his association with FICCI, Dr. Modani was a participant in the FICCI Business Delegation to the 9th India-European Union Business Summit as well as the France India Business Forum held in Paris. On these occasions, Dr. Modani had accompanied the Hon'ble Minister of Commerce, Government of India, Mr. Kamal Nath.

The remuneration and terms and conditions of appointment of Dr. S.N. Modani, as approved and recommended by the

Nomination & Remuneration Committee of the Board of Directors of the Company in pursuance to the Schedule V of the Companies Act, 2013 is as under:

1. SALARY PER MONTH:

Basic Salary of ₹ 11,24,200/- per month w.e.f 01.10.2023 which shall be increased 10% basic salary every year thereafter

2. COMMISSION:

Commission 1% of the net profits of the Spinning Unit/ Division of the Company.

3. PERQUISITES AS MENTIONED BELOW:

- a. Suitable residential accommodation, free of cost with all facilities, amenities and services (including gas, electricity, water and furnishing). In case he does not opt for company provided accommodation at any time, he shall be paid house rent allowance of a sum not exceeding 20% of his basic salary. The expenditure incurred by the Company on gas, electricity, water and furnishings provided to him shall be evaluated as per the Income-tax Rules, 1962.
- b. Reimbursement of all medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalization.
- c. Personal accident insurance premium.
- d. Subscription to clubs.
- e. Encashment of leave as per policy of the Company.
- f. Contribution to provided fund, superannuation fund or annuity fund and any other retirement benefits as per policy of the Company.
- g. Gratuity payable as per policy of the Company.
- h. Leave travel concession for self and family once in a year anywhere, as per company's policy.
- i. The above perquisites and allowances in point no. 3(b) to 3(h) as per HR policy of the Company.
- j. Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Dr. S.N. Modani.

NOTES

- For the purpose of perquisites stated herein above, family means the spouse and dependents children and dependent parents.



Notice (Contd.)

- No sitting fees shall be paid to Dr. S.N. Modani, for attending the Meetings of Board of Directors or any committee thereof.
- Dr. S.N. Modani shall be liable to retire by rotation as a Director, subject to the provisions of Section 152 of the Companies Act, 2013.
- Subject to provisions of Section 197 of the Companies Act, 2013, (including any statutory modification or re-enactment thereof, for the time being in force) the Board of Directors of the Company may alter/vary the terms and conditions of the said appointment from time to time, at its discretion.
- Such alteration or variation, in terms however, shall not exceed the limits specified in Schedule V of the Companies Act, 2013.
- The term of appointment will be effective for a period of five years from the date of his appointment.
- Where in any financial year, the Company has no profits are inadequate, the foregoing amount of remuneration and benefits shall be paid to Dr. S.N. Modani, subject to the applicable provisions of Schedule V of the said Act.
- Dr. S.N. Modani will perform the duties and exercise the powers, which from time to time may be assigned to or vested in him by the Board of Directors of the Company.
- Either party giving the other party three-months prior notice in writing to that effect may terminate the agreement.

Minimum Remuneration

In the event of any loss or inadequacy of profits in any financial year during his tenure, the Company will pay remuneration to Vice Chairman by way of salary, perquisites or allowances as specified above, subject to the applicable limit as stipulated in Schedule V of the Companies Act, 2013.

Dr. S.N. Modani, satisfies all the conditions as set out in Part I of Schedule V referred to in Section 196 of the Companies Act, 2013 for being eligible to be appointed as Whole Time Director designated as Vice Chairman of the Company. He is not disqualified from being appointed in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board of Directors, the appointment of Dr. S.N. Modani as Whole Time Director designated as Vice Chairman of the Company is in the best interest of the Company and accordingly, the Board of Directors recommend the Resolution for approval of the Members.

The foregoing may be treated as an abstract of the draft agreement for the appointment of Dr. S.N. Modani as Whole Time Director designated as Vice Chairman.

Mr R.P. Soni may be deemed to be concerned or interested in the said resolution. Dr. S.N. Modani is son-in-law of Mr R.P. Soni, Chairman of the Company.

None of the other Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the proposed Resolution of this Notice.

ITEM NO. 5:

The Company had appointed Mr Anurag Soni as Chief Financial Officer of the Company on dated 24th June, 2020 and appointed Director on 21st January, 2021.

On the recommendation of Nomination and Remuneration Committee of the Board, the Board of Directors of the Company in their meeting held on dated 10th August, 2023 has approved the appointment of Mr Anurag Soni as Managing Director of the Company for a period of five years effective from 10th August, 2023, subject to the approval of the shareholders of the Company. The appointment as Managing Director of the Company of Mr. Anurag Soni is hereby proposed to be approved by the members of the Company.

He is a commerce graduate and has completed his MS Finance Degree from University of Nottingham, England. Apart from his professional expertise, he is also overseeing the growth and functioning of Sangam School of Excellence, Sangam University and Soni Hospital. Mr. Anurag is also spearheading the company's corporate strategy initiatives and future expansions with a deep analysis of Sangam's competitive advantages and challenges.

The remuneration and terms and conditions of appointment of Mr Anurag Soni, as approved and recommended by the Nomination & Remuneration Committee of the Board of Directors of the Company in pursuance to the Schedule V of the Companies Act, 2013 is as under:

1. BASIC SALARY

₹ 4,65,850/- per month w.e.f. 01st October, 2023 which shall be increased 10% basic salary every year thereafter.

2. COMMISSION

Commission 1% of Net Profit as computed in the manner laid down in the Companies Act, 2013.

3. PERQUISITE

- Suitable residential accommodation, free of cost with all facilities, amenities and services (including gas, electricity, water and furnishing). In case he does not opt for company provided accommodation at any time, he shall be paid house rent allowance of a sum not exceeding 30% of his basic salary.

Notice (Contd.)

- The expenditure incurred by the Company on gas, electricity, water and furnishings provided to him shall be evaluated as per the Income-tax Rules, 1962.
- b. Reimbursement of all medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalization.
 - c. Personal accident insurance premium not to exceed ₹ 10,000/- per annum.
 - d. Servant allowance not exceeding ₹ 60,000/- per annum.
 - e. Club fees payable subject to a maximum of two clubs except entrance and life membership fees.
 - f. Encashment of leave as per policy of the Company.
 - g. Contribution to provided fund, superannuation fund or annuity fund and any other retirement benefits as per policy of the Company.
 - h. Gratuity payable as per policy of the Company.
 - i. Free use of the Company's car along with the driver, personal use of car shall be billed by the Company.
 - j. The above perquisites and allowances in point no. 3(b) to 3(i) as per HR policy of the Company.
 - k. Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Anurag Soni.

NOTES

- For the purpose of perquisites stated herein above, family means the spouse and dependents children and dependent parents.
- No sitting fees shall be paid to Mr Anurag Soni, for attending the Meetings of Board of Directors or any committee thereof.
- Mr Anurag Soni shall not be liable to retire by rotation as Managing Director, subject to the provisions of Section 152 of the Companies Act, 2013.
- Subject to provisions of Section 197 of the Companies Act, 2013, (including any statutory modification or re-enactment thereof, for the time being in force) the Board of Directors of the Company may alter/vary the terms and conditions of the said appointment from time to time, at its discretion.
- Such alteration or variation, in terms however, shall not exceed the limits specified in Schedule V of the Companies Act, 2013.
- The term of appointment will be effective for a period of five years from the date of his appointment.

- Where in any financial year, the Company has no profits are inadequate, the foregoing amount of remuneration and benefits shall be paid to Mr Anurag Soni, subject to the applicable provisions of Schedule V of the said Act.
- Mr Anurag Soni will perform the duties and exercise the powers, which from time to time may be assigned to or vested in him by the Board of Directors of the Company.
- Either party giving the other party three-months prior notice in writing to that effect may terminate the agreement.

Minimum Remuneration

In the event of any loss or inadequacy of profits in any financial year during his tenure, the Company will pay remuneration to Managing Director by way of salary, perquisites or allowances as specified above, subject to the applicable limit as stipulated in Schedule V of the Companies Act, 2013.

Mr Anurag Soni, satisfies all the conditions as set out in Part I of Schedule V referred to in Section 196 of the Companies Act, 2013 for being eligible to be appointed as Managing Director of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board of Directors, the appointment of Mr Anurag Soni as Managing Director is in the best interest of the Company and accordingly, Board of Directors recommend the Resolution for approval of the Members.

The foregoing may be treated as an abstract of the draft agreement for the appointment of Mr Anurag Soni as Managing Director of the Company.

Save and except Mr Anurag Soni and his relatives, namely Mr R. P. Soni, Chairman of the Company being father of Mr Anurag Soni, none of the other Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the proposed Resolution of this Notice.

ITEM NO. 6 & 7:

The Members had, in the Annual General Meeting held on 30th September, 2014 passed an Special Resolution and accorded their approval to the Board of Directors for borrowings upto ₹ 1200 (Rupees One Thousand Two Hundred Crore only), as also for creation of charges on Company's assets as required under section 180(1)(a) and 180(1)(c) respectively of the Companies Act, 2013.

In accordance with the provisions of Section 180(1)(a) & 180(1)(c) of the Companies Act, 2013, to enable the Board



Notice (Contd.)

of Directors of the Company to increase the existing limit from ₹ 1200 Crore to ₹ 2000 Crore for: a) borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital and free reserves of the Company; and b) create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the Banks/Financial Institutions or other lending agencies. Hence, the Members' approval is being sought pursuant to Section 180 of the Companies Act 2013 by way of Special Resolution(s).

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out at Item No. 6 & 7.

ITEM NO. 8:

Sangam (India) Limited ("Company") has an Employee Stock Option Scheme 2022 ("ESOP 2022" or "Scheme") to create, offer, issue and allot at any time to or for the benefit of the employees of the Company under the Scheme such number of stock options exercisable into equity shares, not exceeding 10,00,000 Equity Shares in aggregate of face value of ₹ 10/- each, on such terms and conditions as may be fixed or determined by the Board, in accordance with the provisions of law prevailing at that time. The Scheme is administered through the Sangam (India) Limited Employees Welfare Trust ("Trust").

The Nomination and Remuneration Committee through the resolution passed on 28th April, 2023 amended certain provisions of the Scheme and amendments made by the Committee has been approved by the Board in its meeting held on 28th April 2023 subject to approval of the shareholders. Hence same being recommended to shareholders for their approval by passing Special Resolution for Item No. 8 set out in the Notice to the meeting.

Further, in terms of Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, it is hereby confirmed that amendments in the Scheme are not prejudicial to the interests of the option holders.

A full draft copy of the amended Scheme would be available for inspection, by the Members without any fee, at the Registered Office of the Company during normal business hours on any working day upto the date of meeting and during the continuance of meeting.

The proposed changes in the Scheme will be applicable to all existing and future holders of employee stock option.

The following are the proposed amendments in the Sangam (India) Limited ESOP Scheme, 2022-

- A. Clause 6: Pool of the Scheme be amended as under:
 - 6.1 The maximum number of Options that may be granted pursuant to this Scheme shall not exceed 22,50,000 (Twenty Two Lakhs Fifty Thousand) Options which shall be convertible into equal number of Shares.
 - 6.2 Out of the overall pool of 22,50,000 Shares, the Trust will acquire 80% quantity of Shares by the way of Secondary Acquisition and/or 20% by fresh allotment from the Company.
- B. A new clause 8.18 will be inserted after clause 8.17 in the ESOP Scheme as under:
 - 8.18 The losses of the Trust relating to interest, administration expenses, and loss on acquisition of shares from secondary market, etc. shall be borne by the Company.
- C. A new clause 12.10 will be inserted after clause 12.9 in the ESOP Scheme as under:
 - 12.10 The Company or the Trustee may fund or permit the empaneled stock brokers to make suitable arrangements to fund the employee for payment of exercise price, the amount necessary to meet his/her tax obligations and other related expenses pursuant to exercise of options granted under the ESOP Scheme and such amount shall be adjusted against the sale proceeds of some or all the shares of such employee.

The proposed amendments also contain certain editorial changes.

The Board of Directors of the Company recommends the passing of the resolution in Item No. 8 of the notice as Special Resolution.

None of the Directors, Manager and Key Managerial Personnel of the Company, and any relatives of such Director, Manager and Key Managerial Personnel are in anyway concerned or interested in the resolution except to the extent of Equity Shares held by them in the Company or the options may be granted under the Scheme.

ITEM NO. 9:

The Board of Directors, in reference to the notice dated 16th October, 2021 sent to the shareholders for convening the Extra-Ordinary General Meeting of the Company on 13th November, 2021 for seeking approval for Issuance of warrants convertible into equity shares to investors, promoters and promoter group of the Company on preferential basis. However, in the said notice some discrepancies has been noted which are required to be rectified by passing of resolution in general meeting.

Notice (Contd.)

The resolution passed by the shareholders in this general meeting for rectification of notice dated 13th November, 2021, shall forms part of the notice along with explanatory statement sent to the shareholders and shall be effective from the date of passing of such resolution i.e. 13th November, 2021

As per the aforesaid notice, the aggregate amount of warrants that a company can issue and allot was 103 Crore or ₹ 1,03,00,00,000 Crore (Rupees One Hundred three Crore Only), which wherever appearing in the notice and explanatory Statement be rectified/substituted by the members by passing special resolution its ensuing general meeting with amount of ₹ 1,02,60,00,000 (Rupees One Hundred two Crore Sixty Lakhs Only).

The Board recommends the Special Resolution set out at item No. 9 of the Notice for the approval of the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution.

ITEM NO. 10:

On the recommendation of the Audit Committee, the Board has approved the appointment and remuneration of M/s K.G. Goyal & Co, Cost Accountants, Jaipur (Firm Registration No. 000017) to conduct the audit of cost records of the Company's various units respectively for the

financial year 2023-24 at a fee of ₹ 1,10,000/- to M/s K.G. Goyal & Co, subject to TDS, GST etc., as applicable, apart from out of pocket expenses, as remuneration for cost audit services for the financial year 2023-24.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors have to be ratified by the shareholders of the Company. Hence, the Members approval is being sought by way of Ordinary Resolution.

The Board recommends the resolution for approval of the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution.

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

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

Date: 10th August, 2023
Place: Atun, Chittorgarh road
Bhilwara, (Raj.) 311001



Annexure

PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED IS FURNISHED BELOW:

| Name of Directors | Dr. S.N. Modani | Shri V.K. Sodani | Shri Anurag Soni |
|--|---|---|---|
| Position/Post | Vice Chairman | Executive Director & CEO (Fabric & Garment Business) | Managing Director |
| DIN No. | 00401498 | 00403740 | 03407094 |
| Date of Appointment/ Re-appointment | 1 st October, 2022 | 1 st October, 2022 | 21 st January, 2021 |
| Qualification | PhD in strategic management practices for a sustainable future, along with a Masters Science (M.Sc), with honours in Chemistry, as well as an MBA qualification along with a Post-Graduate Diploma in Cement Technology from NCBM, Faridabad. | B.com, FCA | Commerce Graduate and MS Finance |
| Expertise in specific functional areas | He has rich and varied experience of more than 35 years in the textile industry, having previously held positions in key organizations in the industry. | Managing the business manufacturing of PV Suiting, Processing and Garmenting Division. He has rich and varied experience of more than 24 years in the domestic and international marketing in textile sector. | He has overseen the growth and functioning of Sangam School of Excellence, Sangam University and Soni Hospital. He has spear-headed the company's corpo-rate strategy initiatives and future expansions with a deep analysis of Sangam's competitive advantages and challenges. |
| Directorship held in other public companies (excluding foreign companies) | Nil | - Sangam Finserv Ltd - Sangam Ventures Limited | - Sangam Lifespaces Limited - Keti Sangam Infrastructure (India) Limited - Sangam Ventures Limited - Sangam E-Com Limited - Sangam Finserv Limited |
| Membership/ Chairmanship of Committees of other Indian public Companies | Nil | Audit Committee – Member - Sangam Finserv Ltd Stakeholders Relationship Committee – Member - Sangam Finserv Ltd Nomination and Remuneration Committee – Member - Sangam Finserv Ltd | Corporate Social Responsibility – Chairman - Sangam Finserv Ltd Investment Committee – Member - Sangam Finserv Ltd |
| Number of share held in the company | 6,24,779 | 6,25,000 | 44,38,665 |



Value through values



WEAVING OUR FUTURE TODAY



SANGAM (INDIA) LIMITED
ANNUAL REPORT
2022-23

ACROSS THE PAGES

01

CORPORATE OVERVIEW

01-29

| | |
|--|----|
| Weaving our Future Today | 01 |
| Weaving Future Together: Sangam India | 02 |
| Weaving Our Story of Success | 04 |
| Message from the Chairman | 06 |
| Weaving Comfort and Diversity into Our Offerings | 08 |
| Weaving Strategies for a Dynamic Operating Environment | 10 |
| Weaving Value into Our Business Model | 14 |
| Weaving Robustness & Stability into Our Future | 16 |
| Weaving Knowledge & Expertise into Our Future | 18 |
| Weaving Excellence in Our Offerings | 20 |
| Weaving Our Future with Talent | 22 |
| Weaving Together a Sustainable Future | 24 |
| Weaving Together Social Change | 26 |
| Weaving Together a Bright Future | 28 |

02

STATUTORY REPORTS

30-110

| | |
|--|----|
| Management Discussion and Analysis | 30 |
| Board's Report | 43 |
| Corporate Governance Report | 60 |
| Business Responsibility & Sustainability Reporting | 78 |

03

FINANCIAL STATEMENTS

111-250

| | |
|--------------|-----|
| Standalone | 111 |
| Consolidated | 183 |

Disclaimer

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



For more investor-related information, please visit:

<https://sangamgroup.com/financial/>

Or simply scan to view the online version of the report



| | |
|-------------------|---|
| Market Cap | ₹ 968.73 Crore |
| CIN | L17118RJ1984PLC003173 |
| BSE Code | 514234 |
| NSE Symbol | SANGAMIND |
| Bloomberg Code | SNGM:IN |
| Dividend Declared | 20% |
| AGM Date | 22 nd September, 2023 |
| AGM Mode | Video Conferencing (VC)/Other Audio Visual Means (OAVM) |



WEAVING OUR FUTURE TODAY

The growth and expansion of an organisation for future readiness can be compared to weaving a fabric together. While the existing outline may be appropriate, the right threads, colours, and fibre can enrich and strengthen it even more. The resulting mix will have the potential to be synergistically rich and strong, creating something that is greater than the sum of the respective parts.

As a leading textile manufacturing company, we understand the significance of weaving together the threads of innovation, responsibility, and collaboration to shape a better future today. This theme encapsulates our dedication to embracing change, fostering growth, and positively impacting society and the environment. It underscores our commitment towards enhancing operational efficiency, optimising resources utilisation, and delivering innovative products and services that meet evolving customer demands.

In our journey towards growth and weaving a better future, our endeavour is to combine our expertise and capabilities to enter new territories and industries. We aim to seize opportunities that drive revenue growth, enable us to expand to other geographies, and strengthen our position in the Indian and global textile market.



WEAVING FUTURE TOGETHER: SANGAM INDIA

Established in 1984 under the visionary leadership of Mr. R. P. Soni, Sangam (India) Limited (referred to as 'We' or 'Sangam India') has emerged as a prominent manufacturer of PV-dyed yarn in India. Right from the outset, our core purpose has been to deliver products of the utmost quality, combining stylish designs with exceptional comfort. Renowned both domestically and internationally, we have established ourselves as one of the most rapidly expanding and reliable brands in the textile sector. Our commitment to research and development (R&D) is evident from our cutting-edge manufacturing facilities, which are designed to adapt to the evolving needs of our esteemed clientele. Our Company's success pillars comprise integrity and collaborative spirit, which in turn, foster a strong sense of teamwork.

As a fully integrated textile enterprise, we operate five fully equipped production bases strategically located in Bhilwara and Chittorgarh, in Rajasthan. We have recently completed the initial phase of our brownfield expansion project in Bhilwara to further enhance our production capacity. We have other expansion capacities in the pipeline to ensure future readiness and in a bid towards further growth. These will enable us to create and refine the products that will define the industry in the coming years and help our growth.

In addition to maintaining our steadfast corporate identity, we also prioritise the ESG aspects of our operations. Our commitment to sustainable practices is exemplified by our utilisation of solar power plants, generation of renewable energy, and efforts towards the reduction of our carbon footprint. We actively engage in initiatives that promote environmental conservation, social welfare, and good governance. Our philanthropic endeavours extend to construction of schools and hospitals, as a way of enriching the quality of life within the community. Our progressive policies and incentives for our employees enable in fostering a harmonious and empowering work culture.

OUR ETHOS



OUR VISION

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



OUR MISSION

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



OUR VALUES

COMMITMENT

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

INTEGRITY

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

PROFESSIONALISM

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

QUALITY

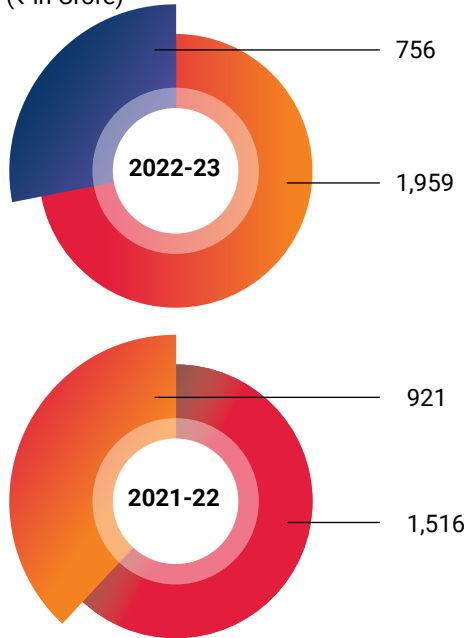
Our endeavour is to provide high-quality products and adhere to world-class standards.

ADAPTABILITY

We remain steadfastly adaptable to the changing dynamic environment.

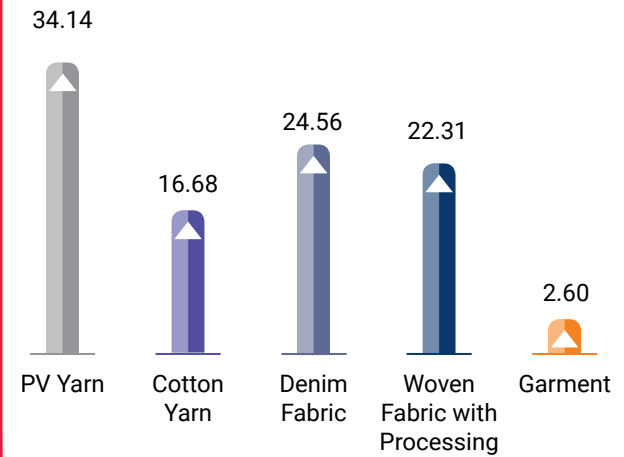
OUR SALES FIGURES

(₹ in Crore)



SEGMENT-WISE SALES CONTRIBUTION IN 2022-23

(in %)



KEY HIGHLIGHTS OF 2022-23

38

Years of industry experience

58+

Countries with export presence

5

State-of-the art manufacturing facilities

12,000

Employees

₹ 2,715 Crore

Revenue from operations in 2022-23

₹ 319 Crore

EBITDA in 2022-23

95,750 MTPA

Yarn production capacity

80.40 MMPA

Fabric production capacity

77,012 MTPA

PV-dyes yarn manufactured in 2022-23

34.40 MMPA

Denim fabric manufactured in 2022-23

28.90 MMPA

woven fabric manufactured in 2022-23

4.10 MMPA

garments manufactured in 2022-23



WEAVING OUR STORY OF SUCCESS

1984

Incorporation as a Pvt. Limited Company by Mr. R. P. Soni and started operations with eight weaving machines

1995

Initiated backward integration into spinning (installed 17,280 spindles for PV-dyed yarn)

2000

Capacity expansion with 8,640 spindles, 16 weaving machines, and 1.9 MW captive power plant

2006

Amalgamation of SPBL Limited (a process house) with our Company

Conversion to Public Limited as 'Sangam (India) Limited,' and raised funding through first IPO of 3.2 Million shares @ ₹ 15 each

1993

Capacity expansion by 11,520 spindles and 3.8 MW captive power plant

1998

Capacity expansion with 26,592 spindles and 10 MW coal-based thermal power plant

2003

Major expansion with 1.13 Lakhs spindles, 130 weaving, and 12 knitting machines and captive thermal power plant of 6 MW and 15 MW

2009





2011

Expansion in weaving/ processing unit at village Atun

2016

Expansion with 26,736 spindles for manufacturing of PV-dyed yarn at Soniyana and 74 weaving machines

2014

Installation of balancing machineries on existing units

2022

Expansion with 32,832 spindles for manufacturing of cotton yarn at Sareri unit

2013

Expansion of denim and process unit, texturising yarn, open end yarn, knitting unit

2015

Garment unit comprising 36 machines, 10,080 spindles, and 56 weaving machines

2018

Installation of one rope dyeing unit (24 ropes) and 78 looms at denim unit



MESSAGE FROM THE CHAIRMAN

“ We have demonstrated agility in responding to the dynamic shifts in market trends. As a result, we have successfully positioned ourselves as one of the foremost textile manufacturers in the nation. ”

Dear Stakeholders,

I am immensely pleased to present the Annual Report of Sangam India Limited for 2022-23. Since our establishment, we have embraced a forward-thinking approach, constantly seeking innovation in both our business strategies and product offerings. We deeply comprehend the importance of intertwining the strands of innovation, responsibility, and collaboration to forge a

brighter future in the present moment. This overarching concept exemplifies our commitment to embracing transformative shifts, nurturing progress, and making a positive imprint on both society and the environment. It serves as a testament to our resolute dedication to augmenting operational efficacy, maximising the utilisation of resources, and providing ground-breaking solutions that cater to the ever-evolving needs of our esteemed customers.

The Indian economy has witnessed a significant transformation in the span of the last ten years, propelling it from the tenth-largest global economy to a prominent player, currently holding the fifth position. The growth estimate of 7% for 2022-23 surpasses that of major economies and remains slightly above the average growth rate experienced by the Indian economy in the decade preceding the Covid-19 pandemic.

As India completed 75 years of independence and entered its 76th year, initiatives like 'Amritkaal' and 'Saptarishis' aim to address economic disparities among the populace. These initiatives also aim to empower individuals in rural areas, foster technological agility within the nation, and reduce reliance on Governmental support. The Government's focus on inclusive development, reaching the farthest corners and enhancing infrastructure and investment, combined with unlocking untapped potential, promoting sustainable growth, harnessing the power of the youth, and strengthening the financial sector, will act as catalysts in propelling India towards a promising and prosperous future.

In light of the prevailing geopolitical landscape, we remain steadfast in our commitment to uphold the values that serve as a constant source of inspiration for our designers. Our unique heritage, characterised by its timeless modernity, continues to guide our creative endeavours season after season. We are resolute in showcasing this heritage and our exceptional manufacturing capabilities while maintaining a vigilant approach that aligns with the current global context.

At Sangam, we cultivate an environment of innovation that drives value creation for all our stakeholders. Our offerings primarily encompass cotton yarns, woven textiles, denim fabrics, and apparel. We have significantly bolstered our competitive edge with a solid foundation, extensive expertise, and a global presence. By consistently staying one step ahead of the curve, we continually strive to deliver unique styles, unrivalled comfort, and comprehensive textile solutions, culminating in an extraordinary brand experience for our valued customers. In addition, our distinguished brand, C9 Air wear, has been instrumental in satisfying the escalating demand for garments, further cementing our position and fostering a loyal customer base.

During the year under review, Sangam India recorded an

outstanding financial performance. Our revenue stood at ₹ 2,715 Crore in 2022-23, compared to ₹ 2,438 Crore in 2021-22, witnessing 11% growth. Our profit after tax grew from ₹ 140.22 Crore in 2021-22 compared to ₹ 134.54 Crore in 2022-23. The domestic sales stood at ₹ 1959.24 Crore in 2022-23 and export sales stood at ₹ 757 Crore in 2022-23. On the capex front, we initiated a ₹ 137.25 Crore brownfield growth plan for the cotton yarn division. The first phase of the growth plan is completed and commercial manufacturing has also begun.

We have committed to fostering sustainable growth in harmony with the well-being of our community and the environment. As the global movement towards a carbon-neutral economy gains momentum, we are resolute in safeguarding the environment. Our efforts to conserve energy, promote renewable sources, and implement eco-friendly technologies are in line with our commitment to environmental sustainability. Striving to minimise our reliance on conventional energy sources, we actively explore and incorporate alternative energy solutions. Our steadfast adoption of the 'reduce, reuse, and recycle' principles exemplifies our dedication to environmental preservation.

Recognising the significance of our communities alongside the environment, we hold both in high regard. We actively engage in various CSR initiatives in line with our deep sense of societal responsibility. This helps us comprehensively address all aspects of society and establish a robust governance framework to ensure accountability and effectiveness.

Moving forward, we will focus on creating value-added products, enhancing our innovation capabilities, elevating quality standards, and improving operational frameworks to support seamless and sustainable growth.

In conclusion, I would like to extend my heartfelt gratitude to our esteemed customers, dedicated team members, valued bankers, trusted partners, and all other key stakeholders. Their ongoing support and encouragement are instrumental in our pursuit of excellence. We look forward to continuing to work together to achieve our shared vision and positively impact the world around us.

Warm wishes,

R. P. Soni

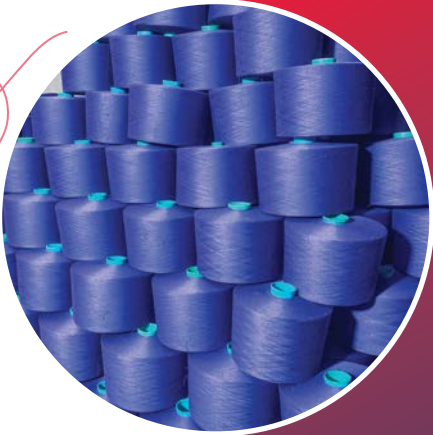
Chairman



WEAVING COMFORT AND DIVERSITY INTO OUR OFFERINGS

At Sangam India, our top-tier products span the entire textile value chain. With over 30 years of expertise, we have consistently endeavoured to broaden our range of offerings to effectively address the dynamic demands of the textile industry. We are committed to delivering a comprehensive range of superior-quality products that cater to a wide array of applications and industries. We take great pride in our emphasis on innovation, sustainability, and, above all, in ensuring the utmost satisfaction of our valued customers.

YARN




Sangam Spinners, our flagship division, stands as a dominant force in South Asia as one of the largest manufacturers of polyester viscose dyed yarn. Being an ISO 9001:2008 certified organisation, we have earned a reputation as a market leader in the PV PV-dyed segment. Our Company boasts of an impressive capacity of over 2,65,877 spindles and 2,664 rotors, enabling us to produce polyester, viscose dyed, blended yarn, and 100% cotton yarn. With an annual production capacity of 95,750 metric tonnes, we cater to various industries.

A significant portion of our yarn production is dedicated to a wide range of PV-dyed yarns. These are extensively used in the manufacturing of suiting, shirting, knitting, and carpets. Additionally, our division is renowned for producing and exporting high-quality cotton, particularly S-6 quality.

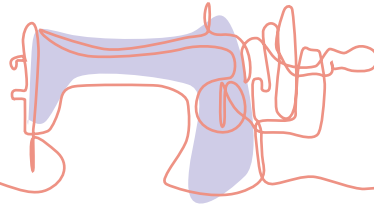
We export to numerous countries around the world. Some of these destinations include Argentina, Bangladesh, Belgium, Brazil, Colombia, Chile, Egypt, Germany, Iran, Italy, Nepal, Poland, Portugal, Romania, South Africa, Spain, Switzerland, Turkey, Ukraine, the United States, Morocco, New York, Peru, the Philippines, Syria, Canada, Egypt, Slovenia, and Sri Lanka.

SYNTHETIC FABRIC



Within the fabric division of Sangam India, we have equipped ourselves with cutting-edge technology and state-of-the-art computerised designing looms. Our arsenal includes high-speed Air Jet looms, such as Somet Mythos, Toyota Tappet & Jacquard, Picanol & Tsudakoma. We also have P7100 Sulzer Tappet & Jacquard and Dornier Jacquard looms. These advanced machines enable us to manufacture some of the finest fabrics in the polyester/viscose, polyester/cotton, pure cotton, PV lycra, and polyester woollen segments.

With a total of 224 looms, we have an impressive annual production capacity of 32.40 Million metres of fabric. We strive to provide our customers with an extensive selection of fabrics that meet their specific needs and preferences in terms of quality, composition, and performance.



DENIM FABRIC



At Sangam India, our state-of-the-art denim plant boasts of a remarkable annual production capacity of 48 million metres of fabric. It is equipped with advanced sheet dyeing and finishing ranges. Within this facility, we produce a wide range of denim fabric, ranging from 4 Ozs to 15 Ozs, utilising various yarn types such as TFO, Eletwist, OE, Excel Linen, Tensile, Slubs, Rings, Ring Slub, Multi Count, Multi Twist, Cotton Stretch, and Poly Stretch. Our denim fabric product range encompasses Basic, Twills, Broken, Satins, Denim Shirting, Fancy Dobby, Regular Dobby in both stretch and non-stretch categories, available in poly-cotton versions. We incorporate the latest finishing techniques such as Flat, Thermo, Mill Wash, Calendar, and Over Dyed to enhance the aesthetic appeal of our fabrics.

Our products have gained immense recognition and acceptance among leading brands catering to kids, men, and women. Our product range is continuously aligned with the prevailing market trends, designs, and fabric preferences to ensure relevance and appeal. We adhere to international quality protocols for our denim products. The fact that we hold the 'OEKO TEX' certification, signifies our commitment to delivering fabrics that meet stringent quality and environmental standards.

GARMENT



At Sangam India, we have established a state-of-the-art plant dedicated to seamless garment production. The idea is to introduce a new era of innerwear, activewear, and casualwear for both women and men. This strategic venture into seamless technology positions us as a key player in offering a diverse range of seamless garments in India and abroad.

Our product range encompasses a variety of blends, including polyamide, spandex, polypropylene, as well as natural fibres, such as bamboo, cotton, and viscose. Equipped with cutting-edge machinery sourced from Santoni Italy, our plant boasts of an impressive production capacity of 5.6 million garments per year. This state-of-the-art infrastructure enables us to meet the demands of our discerning customers, while ensuring efficiency and precision in our seamless garment manufacturing processes.



OPERATING ENVIRONMENT

WEAVING STRATEGIES FOR A DYNAMIC OPERATING ENVIRONMENT

Today’s ever-changing business landscape is characterised by evolving customer preferences and stringent Government regulations. In such a scenario, we recognise the need for dynamic business strategies that can help us stay competitive and compliant. At Sangam, we understand that our success relies on our ability to adapt and respond effectively to certain challenges.

GOVERNMENT’S PUSH TO TEXTILE SECTOR

The Government has undertaken various measures to support the textile industry. These include the Production Linked Incentive (PLI) Scheme, Make in India, Mega Textile Parks Development, and the National Technical Textiles Mission, among others. Additionally, the Government’s efforts to improve the ease of doing business in the country by reducing compliance burdens and costs will attract foreign investments, leading to further benefits for the textile sector.

As a pivotal step in our comprehensive expansion strategy, we have successfully entered into a Memorandum of Understanding (MoU) with the Government of Rajasthan. Under this agreement, we are committed to investing ₹ 1,521 Crore in the establishment of multiple manufacturing units in the Bhilwara district of Rajasthan. These units will be dedicated to various aspects of the textile industry, including spinning, weaving, garments, knitting, and processing. We intend to employ a combination of debt financing, internal accruals, and equity investments to secure the funds required for this ambitious endeavour. This balanced approach will create a robust financial foundation for the project and enable us to effectively execute our plans for growth and development in the textile sector.



GROWING DEMAND FOR SUSTAINABLE PRODUCTS

The textile industry is witnessing a shift towards sustainable and eco-friendly practices, which is further catalysing its growth and making it future ready. Consumers are becoming more conscious of the environmental impact of apparel production, and are now opting for sustainable clothing options. This shift has also led us to use sustainable practices in our manufacturing processes. Responding to the need of the hour, we adhere to the principles of the 3R policy: Reduce, Reuse, and Recycle. The 3Rs guide our efforts towards achieving our environment conservation objectives. By prioritising sustainable practices, we strive to mitigate any potential harm to the environment and ensure the well-being of our stakeholders.

₹ **190** Billion
PLI scheme to Textile Industry

₹ **44.45** Billion
outlay through PM MITRA scheme

750,000
Employment Opportunities from PLI scheme to textile industry



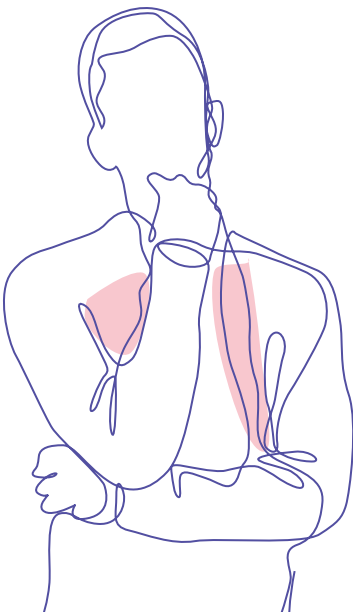
To know more, read on Page 21.

HOMEGROWN PRODUCTS TO GAIN TRACTION

The Indian Government's 'Make in India' campaign is expected to gain further momentum. Supporting the 'Aatmanirbhar Bharat' initiative, Indian brands are expected to increasingly become self-reliant with consumers showing an affinity towards homegrown products. Sangam India has always diligently walked the talk when it comes to taking nation-building initiatives. As a brand, we have constantly strived to give the best to the Indian consumer. Weaving in this ambition into our future plans, we are constantly undergoing constant project expansion. This will enable us to become future ready with an optimistic outlook towards further growth in our manufactured products.

We aim to substantially grow approximately 15% across our entire business by increasing our machinery capacity.

We are strategically focussed on capitalising on the direct-to-consumer (D2C) market and the digitised textile space. Through this, we aim to enhance our market presence and expand our supply capabilities within India and overseas. This strategic approach will enable us to leverage the opportunities the evolving digital landscape presents and further elevate our brand's visibility and accessibility to a wider customer base.





EXPANDING BASE OF INDIAN TEXTILE SECTOR

India is the sixth-largest exporter of textiles and apparels in the world. According to Welspun estimates, the market size of the Indian textile industry is projected to reach USD 190 Billion by 2025-26 from USD 99 Billion in 2021-22. Numerous global brands and retailers have significantly shifted their manufacturing strategies by diversifying their production bases beyond China. The realisation of the risks associated with over-reliance on a single manufacturing source has prompted this strategic move. In this context, India has emerged as an appealing alternative, primarily due to its favourable factors such as competitive labour costs, a conducive business environment, and a skilled workforce. Additionally, the Government of India has implemented various incentives to attract investments and promote manufacturing activities in the country.

In response to this, we are undertaking various expansion projects to support the Indian textile sector's expanding base. Our current focus is on growing our yarn business. We have divided our expansion strategy into two phases. Over both phases, we would be installing 65,664 spindles for the manufacture of cotton yarn at Spinning Unit-II, Village Sareri, at an estimated cost of ₹ 274.5 Crore. The expansion will pan out over the next three years. This will help us increase our revenue by 25%. We are also looking at expanding our garments vertical by installing 106 knitting machines at an estimated cost of ₹ 157 Crore. This project is proposed to be implemented under the PLI Scheme.



GLOBALLY GROWING DEMAND FOR TEXTILES

During 2022-27, the global textile industry is forecasted to experience a projected CAGR of 5.67%. This expansion is expected to be propelled by a multitude of factors, including the growth in global population, upsurge in disposable incomes, and the dynamic shifts in fashion preferences. Responding to this, at Sangam India, we export a variety of products to over 58 countries to meet the increasing global demand. Our export revenue accounts for 28% of our total revenue, which is testament to our self-reliance to satisfy global demand.

At present, our products are made from PV-dyed yarn, cotton, and OE yarn. We recently expanded into the production of ready-to-stitch fabric. Our manufacturing capabilities allow us to produce a significant volume of fabric annually. We manufacture 32.4 Million metres of PV fabric and 48 Million metres of denim fabric.

To facilitate this scale of production, we have established a highly organised production base equipped with over 2,65,877 spindles and 2,664 rotors. These advanced and efficient machinery units enable us to meet customer demands, while maintaining the highest quality standards.

INDUSTRIALISATION

Industrialisation has enabled the textile sector to scale up production significantly. Automation and introduction of new machinery are enabling manufacturers to produce textiles in larger quantities and at a faster pace. This has helped meet the growing demand for textiles globally. Our state-of-the-art manufacturing facilities have enabled us to cater to the demands of the textile industry effectively and efficiently. Moreover, it also gives us a competitive edge at a global level.



WEAVING VALUE INTO OUR BUSINESS MODEL

INPUT

FINANCIAL CAPITAL



We maintain a strong balance sheet that generates constant value for our shareholders by prudently allocating our monetary resources. By utilising our funding sources effectively, including equity capital and debt, we capitalise on long-term opportunities and drive success in the marketplace.

2022-23 KPIs

| | | |
|----------------------|-----------------------|-----------------------|
| ₹ 45.05 Crore | ₹ 779.93 Crore | ₹ 842.35 Crore |
| Equity share capital | Net debt | Reserves and surplus |

MANUFACTURING CAPITAL



We are committed to excellence in manufacturing, reflected in the high-quality output we consistently deliver. This is made possible by our investments in our state-of-the-art manufacturing facilities and world class-supply chain.

2022-23 KPIs

| | |
|---------------------------------|-------------------------|
| 5 | ₹ 1,108.24 Crore |
| No. of manufacturing facilities | Total CAPEX |

HUMAN CAPITAL



We realise the vital role our diverse and skilled workforce plays and ensure to give them an environment wherein they thrive and draw inspiration for growth leadership, thus driving our success.

2022-23 KPIs

12,000
Total no. of employees

SOCIAL AND RELATIONSHIP CAPITAL



We are committed to always prioritising our stakeholders' needs and best interests and dedicated to building lasting relationships and engaging with communities regularly.

2022-23 KPIs

₹ **2.78** Crore
Total CSR expenditure

NATURAL CAPITAL



We emphasise minimising our environmental impact by effectively managing waste and optimising resource usage.

2022-23 KPIs

| | | |
|------------------------------------|--|--------------------------------------|
| 2 | 3 | 4 |
| Total no. alternate energy sources | Total no. of effluent treatment plants | Total no. of sewage treatment plants |

VALUE-CREATION

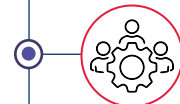
THE PROCESS

Sourcing of high-quality raw material (cotton)

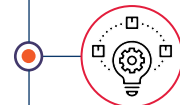
Dyeing and printing to process the primary product into the finished product

Strong branding with sophisticated offerings

OUR VALUE DRIVERS



Integrated team effort



Strong brand position



Greater customer



Satisfaction

OUTCOMES

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

Packaging and dispatching the finished products to the market

STAKEHOLDERS IMPACTED

- Customers
- Employees
- Business partners
- Investors
- Community
- Government

FINANCIAL



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

2022-23 KPIs

| | | |
|----------------------------|-------------------------|-----------------------|
| ₹ 968.73 Crore | ₹ 2,715.30 Crore | ₹ 134.54 Crore |
| Market capitalisation | Total sales | Net profit |
| 15.34% | ₹ 36.12 Crore | |
| Return on capital employed | Earnings per share | |

MANUFACTURING



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

2022-23 KPIs

| | | |
|------------------|---------------------------|----------------------------|
| 77,012 MT | 633 Lakh metres | 41 Lakh pieces |
| Yarn produced | Total fabric manufactured | Total garment manufactured |

HUMAN



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

SOCIAL AND RELATIONSHIP



Communities benefitted through our educational, healthcare, and environmental initiatives

NATURAL CAPITAL



- Reducing dependency on orthodox power sources
- Limiting the use of natural resources

2022-23 KPIs

| |
|------------------------------|
| 13 MW |
| Total solar energy generated |



Value through values

Sangam (India) Limited



FINANCIAL CAPITAL

WEAVING ROBUSTNESS & STABILITY INTO OUR FUTURE

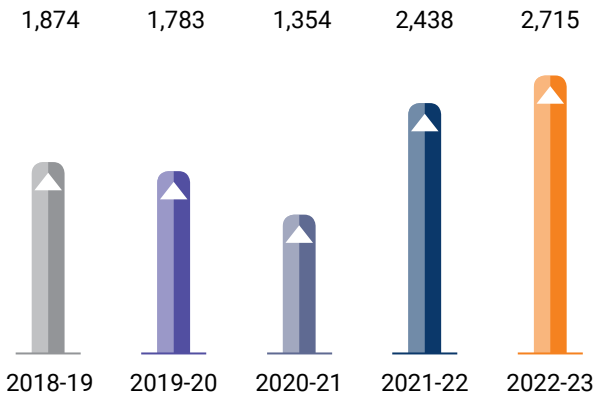
At Sangam, we strive to fortify our financial capital through a combination of internal accruals, debt funds, equity funds, reserves, and surpluses. By leveraging these resources effectively, we aim to reduce our reliance on debt financing. This enables us to optimise the utilisation of cash reserves, thereby minimising interest payments. To enhance productivity and yield, we rigorously evaluate our operational key performance indicators (KPIs) against both internal benchmarks and industry standards. As a result of our efforts towards ensuring operational efficiency, we have achieved significant operating cash flows during 2022-23.

We also have a robust financial planning framework that assesses the financial requirements for both ongoing operations and long-term business objectives. This comprehensive approach enables us to effectively allocate resources and chart a sustainable growth trajectory for our Company. By managing our financial capital strategically, we are well-positioned to support our business operations, drive productivity, and achieve our long-term goals.

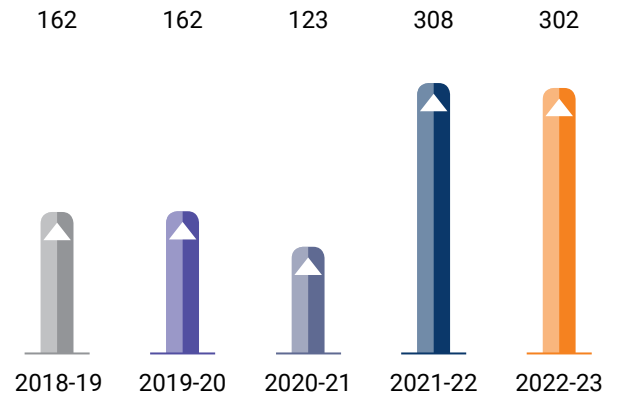
PERFORMANCE HIGHLIGHTS

(Standalone Financials)

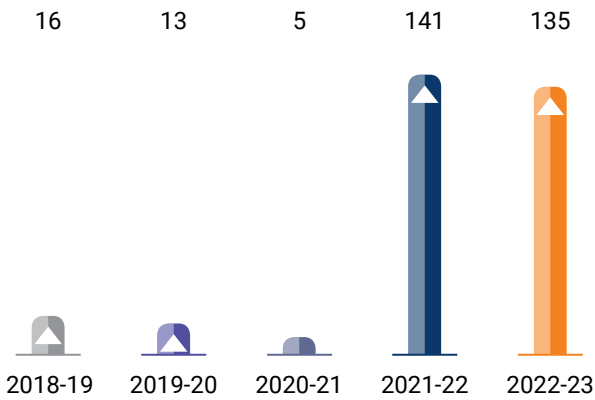
TOTAL REVENUE FROM OPERATIONS (₹ in Crore)



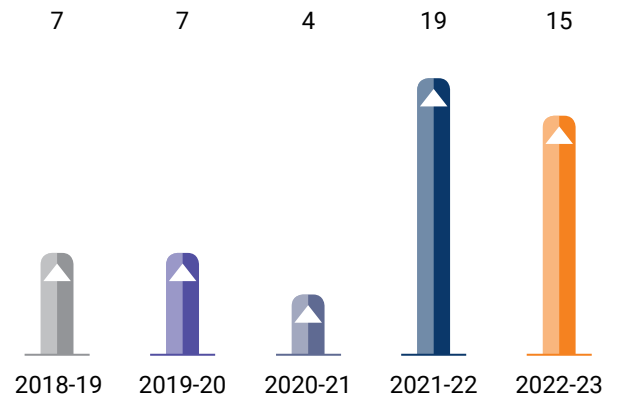
OPERATING EBITDA (₹ in Crore)



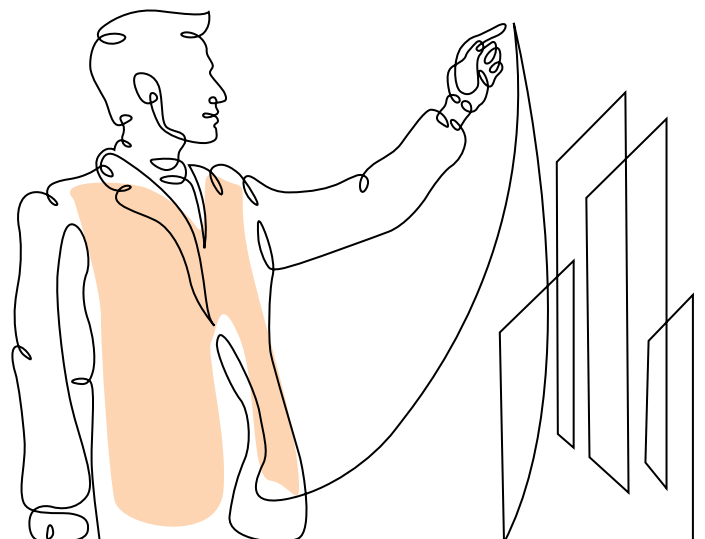
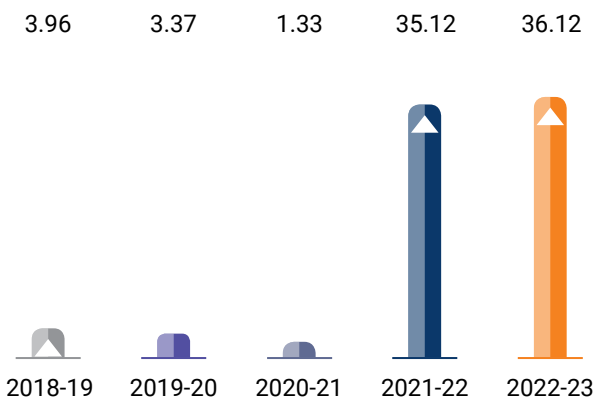
PAT (₹ in Crore)



RETURN ON CAPITAL EMPLOYED (in %)



EPS (in ₹)





INTELLECTUAL CAPITAL

WEAVING KNOWLEDGE & EXPERTISE INTO OUR FUTURE

At Sangam, our intellectual capital is an amalgamation of the knowledge, reputation, and skills we have acquired throughout our 38 years of experience in the industry. It is a testament to our commitment to continuous improvement and our ability to adapt to changing market dynamics.

Our focus on innovation is deeply ingrained in our operations. We understand that consumer demands are constantly evolving, and we strive to meet these by developing creative and high-quality products. Our dedicated R&D team plays a crucial role in tracking market trends and translating them into new concepts and designs that enhance our product offerings. This approach not only gives us a competitive edge but also contributes to our sustainable growth.

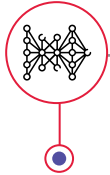
Our intellectual capital is not only a reflection of our expertise and knowledge but also a driver of our success. It enables us to improve our R&D productivity, strengthen our brand positioning, and deliver value to all our stakeholders. We remain committed to nurturing and expanding our intellectual capital as we continue to thrive in a dynamic business environment and fulfil the ever-changing needs of our customers.

OUR BRAND STORY

At Sangam, we have established a unique brand identity in the market. Our long-standing relationships with our customers and dedication towards meeting their fashion needs have played a significant role in this regard. We always strive to maintain a high level of quality and comfort in our products, which has helped us gain a loyal customer base.

Our customers often recall our brand due to its distinctive identity, which we have carefully cultivated over the years. We understand how important it is to uphold the promises made to our customers and be consistent in fulfilling their fashion needs. This has earned us the reputation of being a brand that is valued by customers for quality and comfort.

DIFFERENTIATING FACTORS OF OUR BRANDS



SEAMLESS TECHNOLOGY

C9 clothing designed using seamless CP technology



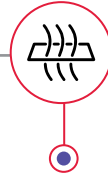
4-WAY STRETCH

4-way stretch technology for exceptional flexibility and comfort during physical activity



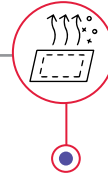
BREATHABLE FABRICS

Clothing manufactured using breathable technology which makes them lightweight and provides a fresh feeling throughout the day



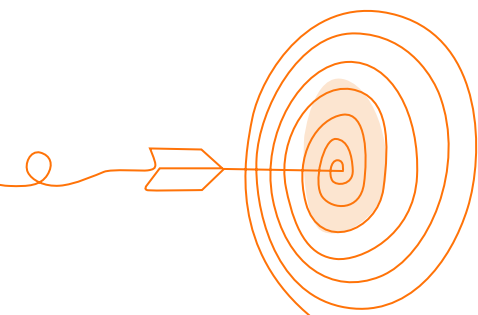
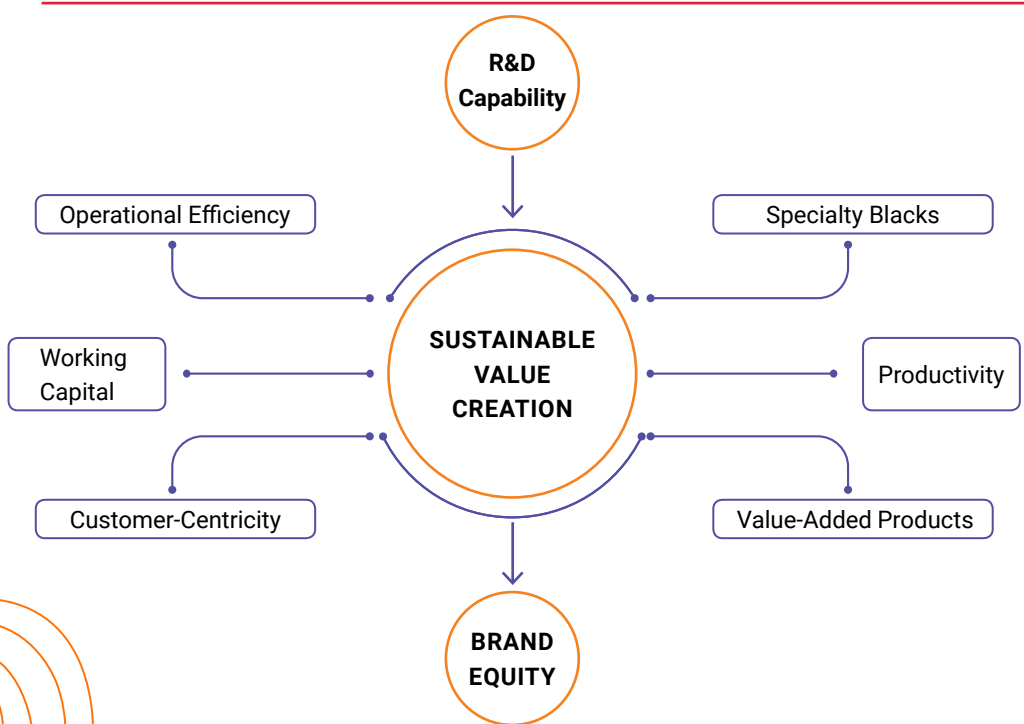
ANTI-CHAFING

Clothing equipped with soft bands to reduce friction between the skin and elastic materials



RAPID DRY

Breathable fabrics used in the clothing to promote rapid drying and prevent skin irritations, such as rashes and chafing





MANUFACTURING CAPITAL

WEAVING EXCELLENCE IN OUR OFFERINGS

At Sangam, we are immensely proud of our manufacturing capabilities, encompassing the production of PV-dyed yarns, denim fabric, and seamless garments. Our manufacturing facilities serve as the foundation of our operations, empowering us to deliver innovative and high-quality products to our valued customers.

We are committed to employing modern infrastructure in our manufacturing facilities, something that is key to our success. By integrating state-of-the-art technologies into our production processes, we try and ensure that we stay at the forefront of the industry. By leveraging these advanced technologies, we continuously strive to surpass customer expectations and stay ahead of the competition.

Our manufacturing facilities serve as the hub of creativity and quality, allowing us to develop and manufacture products that meet the ever-evolving needs of the market. Our dedication to innovation and excellence enables us to offer a diverse range of textile products that align with the latest industry trends and customer preferences.

MANUFACTURING UNITS: HELPING WEAVE OUR FUTURE

| LOCATION | FACILITIES |
|------------------------|---|
| Atun, Bhilwara | Weaving, Processing & Garment Plant |
| Biliya Kalan, Bhilwara | Biliya Kalan, Bhilwara Denim Weaving & Processing Plant |
| Biliya Kalan, Bhilwara | Spinning Plant Unit-I |
| Sareri, Bhilwara | Spinning Plant Unit-II |
| Soniyaana, Chittorgarh | Spinning Plant Unit-III |

We are currently implementing an ambitious expansion plan to enhance our production base. This strategic initiative aims to augment our manufacturing capabilities and further strengthen our position in the industry. By expanding our production capacity, we will be able to meet the growing demand for our products and cater to the evolving needs of our customers. Some of our expansion projects are listed below.

COTTON EXPANSION PROJECT

- Estimated investment: ₹ 138 Crore
- Objective: Increase yarn capacity by 10,500 metric tonnes per annum (MTPA)

GARMENT PROJECT

- Estimated investment: ₹ 157 Crore
- Objective: Deploy 106 machines for garment manufacturing
- Under wholly-owned subsidiary, SVL

DENIM EXPANSION PROJECT

- Estimated investment: ₹ 180 Crore
- Objective: Expand denim fabric manufacturing for captive consumption (including the addition of 81 looms)

PV FABRIC EXPANSION PROJECT I

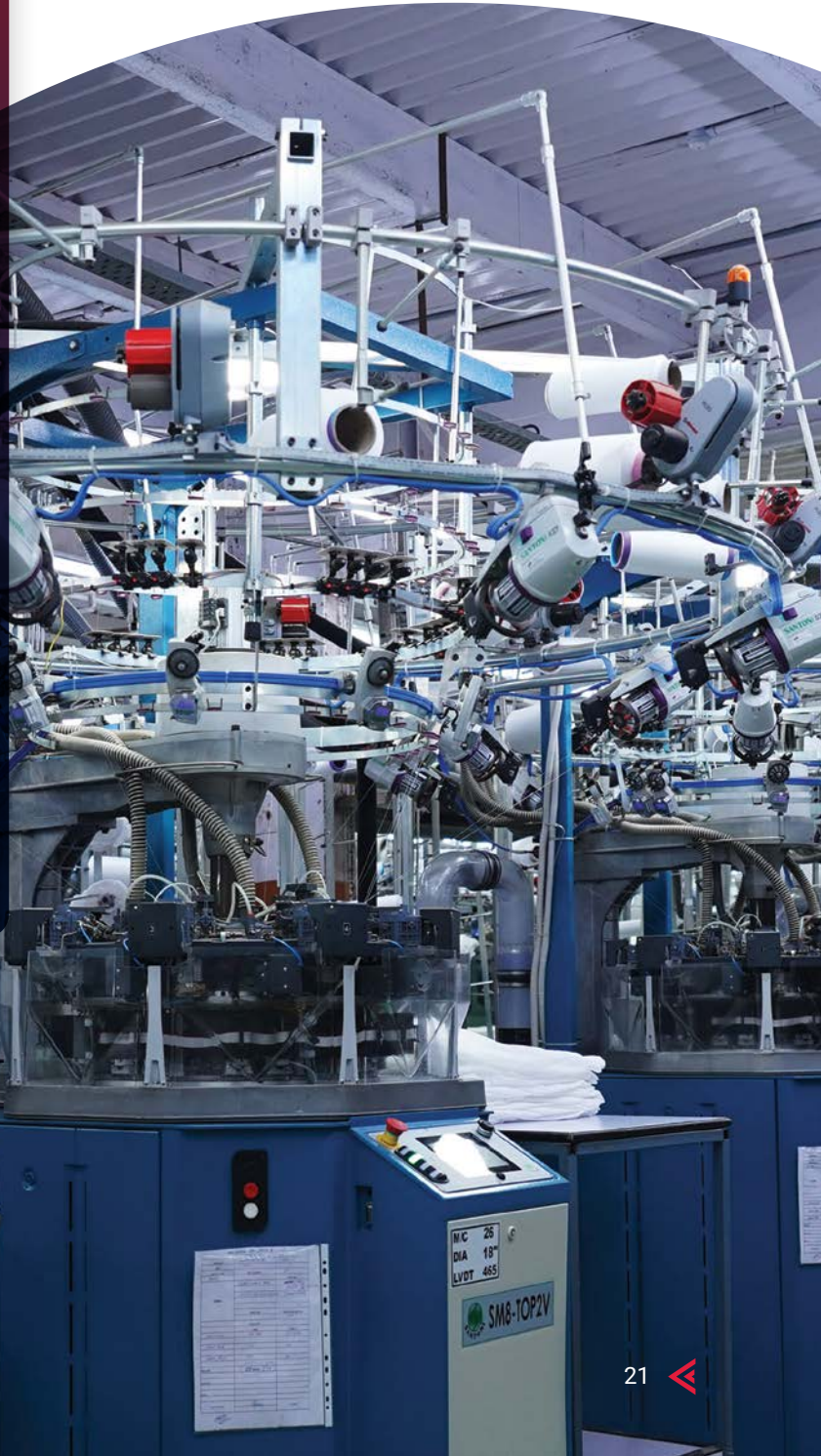
- Estimated investment: ₹ 108 Crore
- Objective: Expand the weaving unit and incorporate 67 new advanced technology looms

PV FABRIC EXPANSION PROJECT II

- Estimated investment: ₹ 178 Crore
- Objective: Further expand the weaving unit

YARN EXPANSION PROJECT

- Estimated investment: ₹ 327 Crore
- Objective: Expand the spinning unit; install 9,120 spindles in cotton yarn and 2,400 open end rotors





HUMAN CAPITAL

WEAVING OUR FUTURE WITH TALENT

At Sangam India, our people are our most valuable assets. Their skills and experience enable us to achieve our strategic goals and deliver exceptional experiences to our customers. We encourage our employees to develop their capabilities as a way of driving our shared objectives. Our positive work environment and people development practices support their personal and professional growth journeys.

We offer diverse learning modules and employee engagement programmes to provide platforms for open communication and collaboration. We prioritise leadership, culture, gender equality, and fair compensation and recognition for our team members. Our commitment to our employees is firm, and we believe that their contributions are essential to our success.



TRAINING AND DEVELOPMENT

As a future-ready organisation, we prioritise the development of our employees as the leaders of tomorrow. We motivate them to work efficiently in a competitive environment, while delivering excellent service to customers. Through regular training sessions that nurture their strengths and enhance their operational skills, at Sangam, we take all steps to invest in our workforce. This approach increases their productivity and overall contentment levels.

Our training programme aims to build technical capabilities of our workforce and enables them to develop a holistic view of our business processes. We are committed to providing our employees with an inspiring and supportive work environment. Our relationship-driven approach to work reflects our dedication towards our team. We strive to create an environment where our human resource is inspired to bring about a positive change.

12,000+
Employees







NATURAL CAPITAL

WEAVING TOGETHER A SUSTAINABLE FUTURE

At Sangam, we are committed deeply to significantly contribute to fostering sustainable growth and combating climate change. We have implemented rigorous procedures and practices to ensure that our manufacturing processes are responsible and sustainable. To this end, our focus areas include efficient resource allocation, effective energy management, and responsible waste management. In our pursuit of reducing our carbon footprint, we have embraced carbon-neutral technologies and initiatives. By integrating these sustainable practices into our operations, we aim to minimise our impact on the environment and contribute to a greener future. The principles of the 3R, namely Reduce, Reuse, and Recycle, guide our efforts in achieving our environmental objectives.

We have developed a comprehensive roadmap to enable our transition to an environment-friendly organisation. Some of our initiatives in this regard include the use of recycled or organic raw materials, as well as the adoption of sustainable chemicals, dyes, and other resources. By prioritising the use of alternative sources and materials, we strive to mitigate any potential harm to the environment, create a sustainable future for all, and ensure the well-being of our stakeholders. Our commitment to sustainable practices and our continuous efforts in this regard underscore our standing as a conscientious organisation.



RENEWABLE ENERGY

Our Company is emerging as a trailblazer in the creation of a more sustainable future through an array of environment-conscious initiatives. The three solar power plants we have installed, are our pride and joy, churning out a massive 16 MW of power. With these plants in place, we have been able to shrink our carbon footprint by a whopping 20% annually. We are also harnessing the power of wind with our 5 MW wind energy facility, effectively reducing our reliance on traditional energy sources. By taking these bold steps, we have not only made our mark as an organisation powered by renewable energy but also cemented our commitment to safeguarding our planet for future generations.



WATER CONSERVATION

Our Company has significantly reduced industrial water usage through innovative and comprehensive strategies. This has been possible due to three effluent treatment plants and four sewage treatment plants. Our zero-discharge policy enables us to recycle and reuse processed water, leading the way in responsible water management. We take pride in our commitment to sustainability and aim to explore new technologies and approaches to enhance our operations, while minimising our impact on the environment. Our efforts have not gone unnoticed and serve as an example of responsible water management in the industry.





3 solar power plants

4 sewage treatment plant (STP)

13 MW solar power

3 effluent treatment plant (ETP)

5 MW wind power

16 MW thermal power



Value through values

Sangam (India) Limited



SOCIAL AND RELATIONSHIP CAPITAL

WEAVING TOGETHER SOCIAL CHANGE

At Sangam, our enduring relationships with our customers form the bedrock of our market standing. However, we also acknowledge that these relationships extend beyond our clients to the communities in which we operate. These communities play a crucial role in granting us both social and commercial licences to operate.

Our CSR programmes encompass a wide range of endeavours aimed at making a meaningful and tangible impact. We actively promote environmental sustainability by implementing eco-friendly practices and initiatives. This includes reducing our carbon footprint, conserving natural resources, and implementing sustainable energy solutions.

Furthermore, we believe in investing in the social fabric of these communities. We prioritise initiatives that improve access to education and healthcare, helping uplift individuals and contribute to the overall well-being of the community. Through collaborations and partnerships, we work towards enhancing educational opportunities for children, building schools, and providing healthcare facilities and services.





PROMOTING EDUCATION

At Sangam, we firmly believe that everyone deserves access to quality education. To realise this vision, we established Sangam University in 2012-13, accredited by NAAC and recognised by UGC under the UGC Act, 1956. We also founded the Institute of Technology and Management for Engineering and MBA students, approved by the AICTE and the Rajasthan Government. Additionally, we operate the Sangam School of Excellence, an ISO 9001:2008 certified school affiliated with CBSE and IB (IGCSE), providing state-of-the-art facilities for students to learn and grow.

We have also established the Smt. Kesar Bai Soni Educational Foundation Trust to recognise and award deserving students with scholarships, especially those from rural areas. This initiative aims to inspire young minds to pursue their dreams and reach their full potential.



HEALTHCARE

We are committed to providing marginalised sections of society with medical access. Our efforts have resulted in the establishment of the NABH-certified Smt. Kesar Bai Soni Memorial Hospital & Research Centre, which serves as a beacon of hope for those who lack access to proper healthcare. This state-of-the-art facility is equipped with the latest telemedicine technology and top-notch healthcare facilities, enabling us to deliver the highest quality care to the local community.

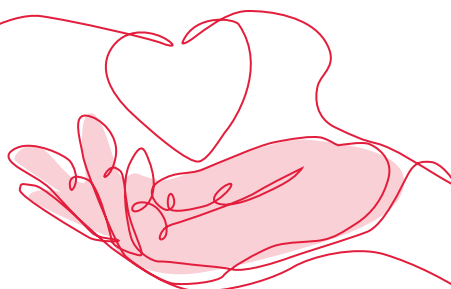


OTHER INITIATIVES

We have created textile training centres to assist communities in gaining employment and sustaining their livelihoods. These centres have provided training and employment assistance to approximately 500 workers.

We pioneered the construction of an industrial training facility, known as the 'Sangam Industrial Training Centre', in Raila, Rajasthan.

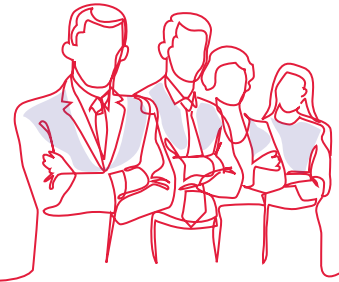
We also founded the Badrilal Soni Maheshwari Shiksha Sahyog Kendra to improve the quality of administrative and technical education. The trust has been at the forefront of providing lower interest rates on higher education loans.





BOARD OF DIRECTORS

WEAVING TOGETHER A BRIGHT FUTURE



Mr. R. P. Soni
Chairman



Dr. S. N. Modani
Managing Director & CEO



Mr. V. K. Sodani
Executive Director



Mr. Anurag Soni
Director & CFO



Mr. Achintya Karati
Independent Director



Dr. T. K. Mukhopadhyay
Independent Director



Mrs. Jyoti Sharma
Independent Director



Mr. Yaduvendra Mathur
Independent Director



Mr. Sudhir Maheshwari
Independent Director

AWARDS & ACCOLADES

Received the TEXPROCIL Export Award 2016-17 - Gold Plaque for the Highest Exports of 'Denim Fabrics' under Category I to Sangam Denim of Year 2016-17

Awarded Gold Trophy for Export Performance to Sangam Denim of Year 2014-15

Ranked among the Top 500 Global Organisations of India

Accorded 3-star export house status

Received Best Productivity award for Sangam Spinners [Dyed Yarn] in 2002

Awarded for Textile Excellence in 2003 for Sangam Spinners, by Hon'ble Shri Narpat Singh Rajvi, Industries Minister, Government of Rajasthan

Received Rajasthan State Award for Export Excellence in textile sector for the year 2008 by Hon'ble Chief Minister of Rajasthan Smt. Vasundhara Raje

Received India's 'Power Brand Rising Star' status by Indian Council for Market Research (ICMR) and Planman Consultancy

Received Rajasthan Energy Conservation Award for the year 2009-10 by Hon'ble Chief Minister of Rajasthan Shri Ashok Gahlot

Received 'Rising Entrepreneur of the Year Award' for outstanding contribution to the industry and 'India Rising' by Planman Consultancy





Value through values

Sangam (India) Limited

Management Discussion & Analysis



ECONOMIC OVERVIEW

GLOBAL ECONOMY

Despite the global growth rate slowing down to 3.2% in 2022, which was more than 1% weaker than anticipated in 2021, there have been recent positive indications of improvement. Although headline inflation started to decline, it remained elevated and persisted for a prolonged duration. Fortunately, the recent decline in energy and food prices has been a significant contributing factor to the early 2023 surge in activity and sentiment. Even though these prices remain relatively high compared to pre-Russia-

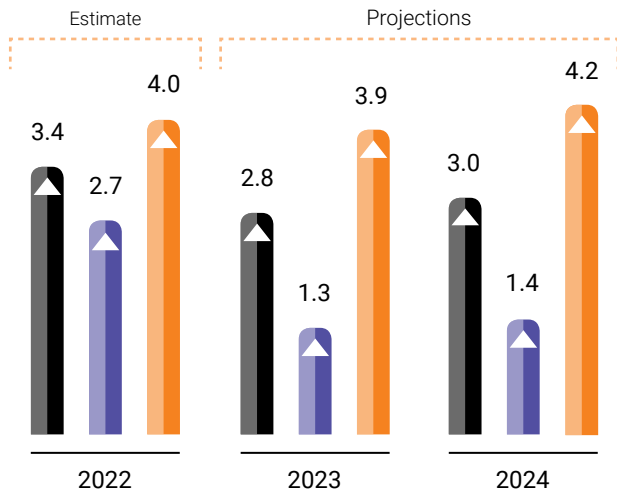
Ukraine war levels, their decrease bolstered the purchasing power of businesses and households. This, in turn, has helped to alleviate headline inflation. Additionally, the abrupt early reopening of China had a positive impact on global activity, easing supply chain pressures and providing a significant boost to international tourism.

The growth rate in advanced economies is projected to slow down significantly, declining from 2.7% in 2022 to 1.3% in 2023, primarily due to geoeconomic fragmentation. In contrast, emerging markets and developing economies are anticipated to have better economic prospects, with the average growth rate estimated to reach 3.9% in 2023, and a predicted increase to 4.2% in 2024. The slowdown was primarily attributed to the Russia-Ukraine conflict, which led to a cost-of-living crisis in multiple countries. The expected recovery for the next two years is projected to be moderate.



GLOBAL ECONOMIC GROWTH (% CHANGE)

Year-on-Year



- World
- Advanced economies
- Emerging markets and developing economies

While certain countries, regions, and territories have made notable strides in recovering from the Covid-19 pandemic, the global outlook continues to be uneven. For several nations, pre-existing political and economic challenges have hindered progress, making the road to recovery an uphill task. Despite the headway made, the global economy is preparing itself for another round of obstacles. This is due to the sluggish pace of structural reforms, increasing trade tensions, dwindling direct investment, and slower adoption of innovation and technology in fragmented regions. Nevertheless, it is widely anticipated that this downturn will be moderate, offering all countries an opportunity to effectively address global issues.

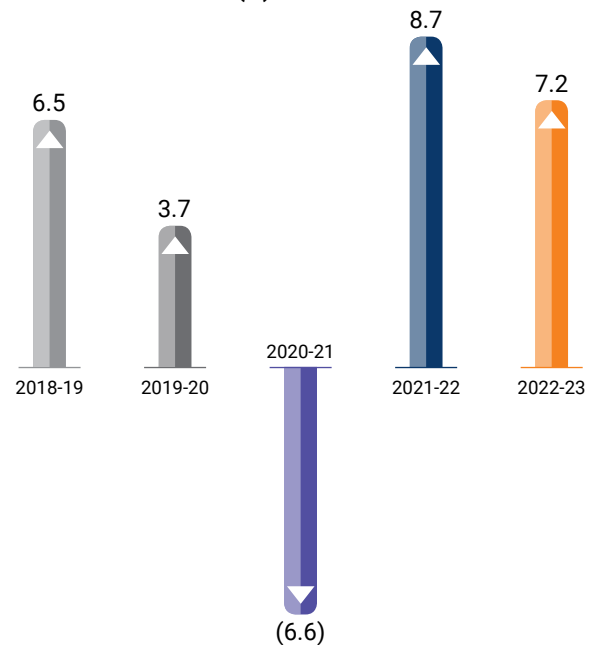
(Source: <https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>)

INDIAN ECONOMY

India has emerged as a significant player in the global economy. It has made impressive progress over the past decade, upgrading from the tenth to the fifth-largest economy in the world. The country's economic success can be attributed to crucial reforms, such as liberalisation, streamlining bureaucracy, reducing corruption, investing in infrastructure, and improving access to financing for small and medium-sized enterprises.

However, the country has been facing the challenge of dealing with inflation. The combined efforts of the Government and the Reserve Bank of India, coupled with a decline in global commodity prices, helped retail inflation to fall below the RBI's upper tolerance target. Despite these daunting challenges, Indian economy achieved a growth rate of 7.2% in 2022-23.

GDP GROWTH RATE (%)



The anticipated growth of the Indian economy is a testament to its resilience, with private consumption driving growth instead of relying on export incentives. This increase in private consumption has also stimulated production activity, resulting in higher capacity utilisation across several sectors. Additionally, the Indian Government's focus on infrastructure has been noteworthy. The introductions of the National Infrastructure Pipeline (NIP) in 2019, and the



National Monetisation Pipeline (NMP) in 2021, have laid a strong foundation for infrastructure development in India, presenting multiple opportunities for foreign investment and collaboration.

India's economic growth prospects are expected to improve due to several factors. These factors include the

normalisation of supply chains and the return of capital flows to India, supported by a stable domestic inflation rate that is below 6%. These developments are likely to increase private sector investment and boost business confidence. As a result, the survey predicts a baseline real GDP growth rate of 6.5% for 2023-24.

(Source: <https://www.indiabudget.gov.in/economicsurvey/doc/echapter.pdf>)



INDUSTRY OVERVIEW

GLOBAL TEXTILE AND APPAREL INDUSTRY

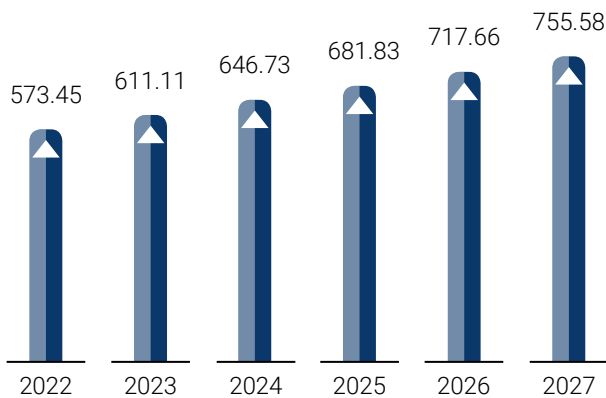
The textile industry is a major sector that encompasses various activities associated with the design, production, and distribution of textiles and clothing. It includes a wide range of products, such as fabrics, yarns, apparel, home textiles, and technical textiles. The projected compound annual growth rate (CAGR) of 5.67% for the worldwide textile industry during the period 2022-2027 indicates a promising growth trend. This growth is expected to be driven by various factors, such as increasing population, rising disposable income, and changing fashion trends. The demand for textiles and clothing is anticipated to rise with an increase in population, especially in emerging economies, such as India and China.

In the apparel sector, the industry has been driven by factors, such as increasing disposable income, a growing

global population, and the rise of e-commerce. Online shopping has become increasingly popular due to its convenience, a wider range of options, and lower prices, which have been further accelerated by the Covid-19 pandemic. Consequently, the online channel has experienced growth and now accounts for 15.9% of the industry's total value, with expert online retailers leading the way.

Additionally, the textile and apparel industry is also witnessing a shift towards sustainable and eco-friendly practices. This shift is further driving the growth of the industry. Consumers are becoming more conscious of the environmental impact of clothing production, and they are now opting for sustainable clothing options. This transition towards sustainable practices has also resulted in the emergence of new markets, especially within the eco-fashion sector.

GLOBAL TEXTILE MARKET, FORECAST MARKET SIZE, 2022-27
(in USD Billion)



5.67%
CAGR

(Source: <https://www.indiabudget.gov.in/economicsurvey/doc/echapter.pdf>)



INDIAN TEXTILE AND APPAREL INDUSTRY

The textile industry plays a critical role in India's economy and export industry, covering a wide range of activities, from traditional hand weaving to modern textile mills. India has long been recognised as a manufacturing hub for the textile and apparel industry, ranking sixth globally in terms of exports. In addition, India's technical textiles market is valued at around USD 16 Billion, constituting approximately 6% of the global market. China is the only country that produces more man-made fibres (MMF) than India, making India the second-largest MMF producer in the world.

6th

Largest textile and apparel industry globally in terms of exports

USD **16** Billion
India's technical textiles market

6%

Total share of the global market

The textile and apparel industry makes a significant contribution to India's economy, accounting for 2.3% of the country's GDP, 7% of industrial production, 12% of exports, and 21% of total employment. This sector is primarily dominated by small-scale players due to the economic feasibility of apparel manufacturing at various scales. The industry's competitive advantages reside in its skilled workforce and cost-effective production methods.

2.3%

Contribution of textile and apparel industry to India's GDP

7%

Of industrial production

12%

Of Exports

21%

Of total employment

India's major textile and apparel export destinations are USA, EU-27, and UK, which comprise approximately 50% of the country's exports in this sector. The country holds a 4.6% share in the global trade of textiles and apparel. In terms of employment, the textile and clothing industry is the second-largest employer in India, with over 45 Million individuals employed directly and an additional 100 Million employed indirectly in related industries.

4.6%

India's share in the global trade of textiles and apparel



According to a recent report by IMARC, the Indian textile and apparel industry has reached a market size of USD 172.3 Billion in 2022. It is expected to reach a compound annual growth rate (CAGR) of 14.59% in 2028, with an estimated market value of USD 387.3 Billion in 2028. This impressive growth can be attributed to several factors, such as the increasing demand for high-quality clothing and footwear, the Government’s implementation of schemes to empower weavers, and the growing popularity of ethically sourced sustainable materials.

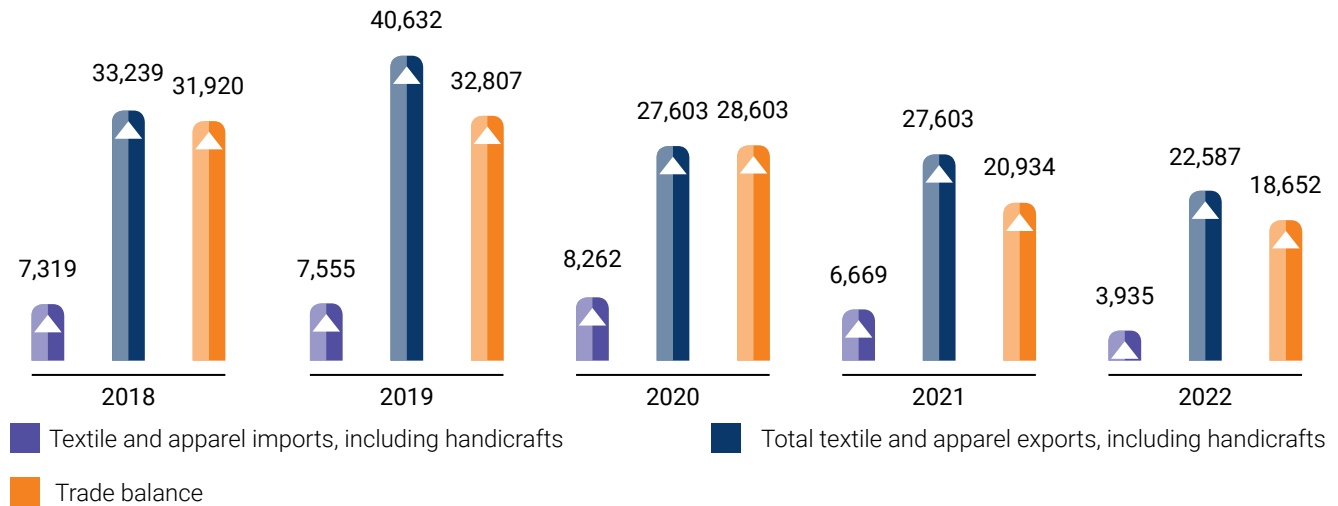
USD **172.3** Billion
Indian textile and apparel industry market size in 2022

14.59%
CAGR of textile industry from 2023

(Source: <https://www.imarcgroup.com/indian-textiles-apparel-market#:~:text=The%20Indian%20textile%20and%20apparel%20market%20was,US%24%20172.3%20Billion%20in%202022.>)

TEXTILE AND APPAREL EXPORTS

(in USD Million)



(Sources: EMIS, <https://www.ibef.org/industry/textiles>, Marketune)

MAN-MADE FIBRE

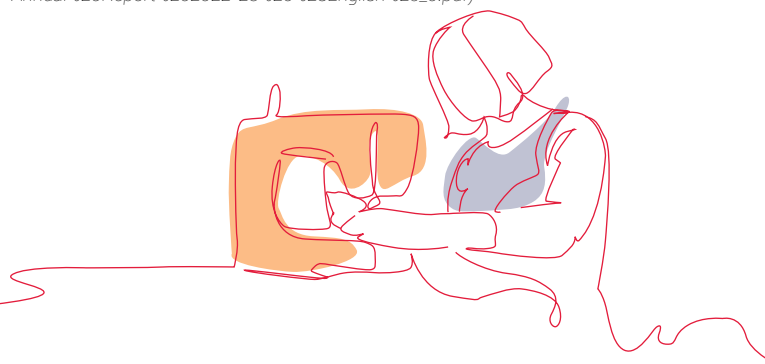
After China, India ranks as the world’s second-largest producer of man-made fibres. The man-made fibre value chain in India is vertically integrated, encompassing upstream and downstream linkages that span from raw materials to finished goods. The majority of India’s domestic man-made fibre (MMF) industry is made up of polyester and viscose, accounting for approximately 94% of the industry’s volume. Demand for MMF is expected to increase due to factors, such as its use in non-wovens and technical textiles, changing consumer trends, and the rising popularity of fitness and hygiene products.

Creore over five years. This scheme aims to promote the production of MMF apparel, fabrics, and technical textile products in India to improve the sector’s competitiveness. The increased availability of MMF and MMF yarn is expected to contribute to the overall growth of India’s textile industry using mixed fibres and yarn.

USD **9.56** Billion
India’s export of MMF textiles and apparel in 2021-22

(Source: https://texmin.nic.in/sites/default/files/English%20Final%20MOT%20Annual%20Report%202022-23%20%28English%29_0.pdf)

Although India’s traditional emphasis is on cotton textiles, there is a rising global demand for MMF, necessitating the need for the country’s textile industry to adapt. India’s exports of MMF textiles and apparel were USD 9.56 Billion for 2021-22, and have further potential to grow. To support the growth and employment potential of the MMF sector, the Production Linked Incentive (PLI) Scheme for textiles has been implemented with an approved outlay of ₹ 10,683



COTTON YARN

Cotton is the predominant segment of India's yarn industry, accounting for over 50% of its market share. The growth of the textile sector is expected to have a positive impact on the yarn market, particularly in the cotton yarn segment, which holds a major share of the apparel industry. With the population increasing and purchasing power strengthening, the apparel industry is anticipated to expand further. This is further projected to create a higher demand for cotton yarn in the textile manufacturing industry. Consumers in Tier-I and some Tier-II cities are increasingly seeking innovative designs, styles, and comfortable fits. To keep up with this demand, there has been an increase in innovative manufacturing that incorporates the latest fabrication technology. Established players in the market are facing competition not only from unorganised players catering to 60-65% of total demand but also from new and emerging brands.

(Source: https://texmin.nic.in/sites/default/files/English%20Final%20MOT%20Annual%20Report%202022-23%20%28English%29_0.pdf)

INDIAN INNERWEAR SEGMENT

With the rise of a new India that follows global fashion trends, the innerwear industry is experiencing rapid growth. The women's innerwear segment is expected to reach ₹ 68,000 Crore by 2028, while the men's innerwear segment is projected to reach ₹ 21,800 Crore by 2028. Over the last few decades, the innerwear industry in India has emerged as one of the fastest-growing categories. From being a basic essential, innerwear has transformed into a trendsetting fashion statement, synonymous with style, comfort, and personal expression. Currently, the Indian innerwear market accounts for approximately 9% of the total domestic fashion retail market.

₹ **68,000** Crore

Women's innerwear segment expected to reach by 2028

₹ **21,800** Crore

Men's innerwear segment expected to reach by 2028

(Source: <https://www.indiaretail.com/2019/06/06/indian-innerwear-accounts-for-9-percent-of-the-total-domestic-fashion-retail/>)

INDIAN ACTIVEWEAR SEGMENT

The global activewear market is projected to expand from USD 421 Billion in 2022 to USD 779 Billion in 2032, witnessing a CAGR of 6.4% during the period 2022 to 2032. On the other hand, the Indian activewear market, including footwear, is expected to reach USD 12.47 Billion by 2024. Indian companies have emerged to meet the growing demand from consumers, offering quality products at affordable prices and keeping up with the trends. With rising incomes and international exposure, more people are likely to invest in high-quality and innovative activewear products. Brands must offer unique and functional products to stand out in this competitive market. Overall, the activewear industry in India is undergoing a significant transformation, with a shift in perception and increased demand for fashionable and innovative sportswear.

6.4% projected CAGR

Of global activewear market 2022-2032

(Source: <https://in.apparelresources.com/business-news/manufacturing/innovation-activewear-propelling-steady-growth/>)

GOVERNMENT INITIATIVES

The textile and apparel industry holds immense socio-economic significance in the Indian manufacturing sector. It is one of the largest employment generators and a significant contributor to the country's foreign earnings. Due to its strategic importance to the Indian economy, the Government of India has implemented various initiatives to bolster its growth.

The Indian Government has been actively promoting the growth of the textile industry through various initiatives and schemes. These initiatives and schemes include Make in India, Production Linked Incentive (PLI), National Technical Textiles Mission, Government e-Marketplace (GeM), Mega Textile Parks, Skill India, Women's Empowerment, and Rural Youth Employment, among others. The objective of these schemes is to encourage technology upgrades, infrastructure creation, skill development, and overall sectoral development in the textile industry.

The Scheme for Capacity Building in Textile Sector (SAMARTH)

was created to address the skilled workforce requirements of the textile industry. The scheme was developed in line with the Skill India initiative and aligned with the Ministry of Skill Development and Entrepreneurship's skilling programme framework. SAMARTH has been approved for implementation until March 2024.

The **Amended Technology Upgradation Fund Scheme (ATUFS)** was launched in January 2016 to promote the promote ease of doing business in India, generate employment, and encourage exports through the 'Make in India' initiative. The scheme provides a credit-linked Capital Investment Subsidy (CIS) to units in the textile sector (excluding spinning) for the purchase of benchmarked machinery. The goal is to achieve 'Zero effect and Zero defect' in manufacturing.

The **Pradhan Mantri Mega Integrated Textile Region and Apparel (PM MITRA)** Scheme was approved by the Indian Government to establish seven textile parks in greenfield and brownfield sites, with an outlay of ₹ 44.45 Billion over a period of seven years, up to 2027-28. The goal of PM MITRA is to enhance the competitiveness of the Indian textile industry, attract significant investment, and boost employment generation. The most recent edition of the scheme aims to build a total of 65 textile parks in India.

The **Production Linked Incentive (PLI) Scheme** has been introduced to promote the production of MMF apparel, MMF fabrics, and technical textile products in India. The scheme's goal is to create 60-70 global players, attract fresh investment of approximately ₹ 190 Billion, and generate almost 750,000 new employment opportunities in the country.

The Indian Government has approved the continuation of the **Rebate of State and Central Taxes and Levies (RoSCTL)** for apparel/garments, and made-up exports at the same rates as issued by the Ministry of Textiles until 31st March 2024. This decision aims to provide a tax rebate on outbound shipments to garment exporters, thereby boosting the competitiveness of the labour-intensive textile industry.

Free Trade Agreement: The Ind-AUS ECTA is expected to boost India's textile and apparel exports significantly, with projections indicating an increase to USD 1,100 Million within the next three years. This agreement is poised to positively impact the Indian textile industry by facilitating increased trade between India and Australia.

KEY GROWTH DRIVERS

Basic materials, including cotton, wool, silk, and jute, are widely available.

Exports demand is on the rise for the Indian textile industry globally.

India enjoys a comparative advantage in terms of skilled workforce and cost of production, relative to major textile producers.

The Indian textile industry has been investing in technology and modernising its operations to improve efficiency, productivity, and quality.

The Indian Government has approved 100% FDI in the textile industry under an automatic route.

Domestic demand for the industry has been stimulated by a growing population, rising per-capita income, and evolving tastes and lifestyles.



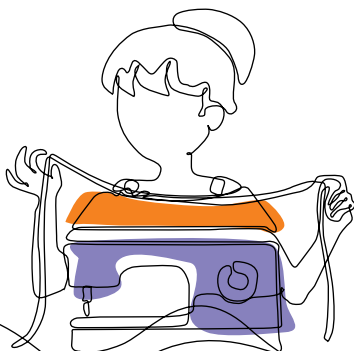
OPPORTUNITIES

GROWING GLOBAL DEMAND

India is a major exporter of textile and apparel products, with increasing demand from countries, such as USA, Europe, and Japan. This presents opportunities for businesses to expand their exports and tap into the growing global market. This is supported by the Government's signing of economic cooperation and trade agreements with countries like Australia and the UAE, where now exports face zero duty.

SKILLED WORKFORCE

India has a comparative advantage in terms of a skilled workforce in the textile and apparel sectors. The availability of skilled labour at a lower cost presents an opportunity for manufacturers to produce quality products at a competitive price.



RISING PER CAPITA FIBRE CONSUMPTION

The demand for environmentally friendly fibres has experienced exponential growth, coupled with a surge in their per capita usage. This can be attributed to the increasing average disposable income of households, evolving textile trends, and the global urbanisation phenomenon. These factors have resulted in higher demand for high-quality fibres and textiles. Furthermore, both consumers and retailers are seeking a broader variety of fibres and yarns to meet their diverse needs.

**THREATS****FLUCTUATING DEMAND**

The demand for textile and apparel products can be volatile, particularly in response to changes in fashion trends, economic conditions, and consumer preferences. This can impact businesses that are not able to adapt quickly to changing market conditions.

UNFAVOURABLE NATURAL CONDITIONS

A huge amount of raw material in the textile industry comes from agriculture. Thus, unfavourable climatic conditions like floods, droughts, and unseasonal rains affect the availability, quality, and prices of raw materials, which adversely affects the industry.

ENVIRONMENTAL COMPLIANCE

Globally, the textile industry is the second-largest consumer of water, following the agricultural sector. Moreover, the industry extensively uses harsh chemicals that are non-biodegradable and environmentally hazardous. As a result, the trend towards sustainability and eco-friendliness has been gaining momentum, with Governments imposing stringent regulations to ensure compliance with environmental standards.

FRAGMENTED UNORGANISED SECTOR

The Indian textile industry is highly fragmented, with the unorganised sector and small to medium-sized businesses as the dominant players. Unlike its neighbour Bangladesh, where the average factory houses 500 machines, the average size of a textile unit in India is only 100 machines.

**COMPANY OVERVIEW**

Sangam (India) Limited (referred to as 'SIL' or 'The Company') is in the business of textile and garment manufacturing. The Company has a diversified product portfolio of PV-blended dyed fabric, grey yarn, textured yarn, cotton spun yarn, cotton open-end yarn, fabric processing, cotton knitted fabric, synthetic blended fabric, denim fabric, and garments. SIL was incorporated in 1984 with only eight weaving machines. Since then, it has achieved remarkable growth, expanding its reach to over 58 countries, and earning a prominent position as a leading brand in the textile sector. The Company is listed on the Bombay Stock Exchange and the National Stock Exchange.

SIL operates five modernised production facilities, each with cutting-edge technology and a proficient workforce, in the Bhilwara district. In addition, the Company has expanded its reach to 58 nations, making it one of India's major textile exporters and a key player in the global textile ecosystem. Today, it has five highly-organised production bases equipped with the latest technology and a skilled workforce. These production bases are spread across the Bhilwara district, positioning the Company as one of the largest producers of PV-dyed yarn at a single location.

SIL has a long-standing presence dating back over 35 years and has established various brands under its belt. The Company's flagship brands include Sangam Suiting and Sangam Denim. Brand C9 Air Wear has a line of progressive seamless wear for women. The Company is one of the niche players in seamless garment manufacturing in India. SIL has a diversified client base across segments and geographies worldwide. The Company's client portfolio includes brands like Banswara Syntex, Siyaram, BSL, Vimal, RSWM Limited, Arvind Limited, Trident Limited, Marks & Spencer, Reliance Trends, Zivame, Myntra, Lifestyle International, Benetton and Westside, among others.



YARN DIVISION



Location

Biliya Kalan and Sareri (Bhilwara) and Soniyana (Chittorgarh) in Rajasthan



Products

PV-dyed & grey yarn, cotton-spun, open-ended & indigo rope-dyed yarn and textured yarn



Capacities

Biliya Kalan – 96,867 spindles, 3 texturing machines, and 1 machine for indigo reposed yarn. Sareri – 1,42,272 spindles, 2,664 open-end rotos, and 26 knitting machines
Soniyaana – 26,736 spindles



Contribution

51% of the total revenues of SIL

FABRIC DIVISION (PV FABRICS)



Location

Atun, Bhilwara, Rajasthan



Products

PV fabrics and processed fabrics



Capacities

229 looms for synthetic fabric weaving (capacity 32.4 MMPA), fabric processing – 72 MMPA



Contribution

22% of the total revenues of SIL

SEAMLESS GARMENT DIVISION



Location

Atun, Bhilwara, Rajasthan



Products

Airwear, active wear, leisure wear, intimate wear, shape wear, and casual wear



Capacities

58 seamless garment knitting machines (capacity 5.6 Million pieces. PA)



Contribution

3% of the total revenues of SIL

FABRIC DIVISION (PV FABRICS)



Location

Biliya Kalan, Bhilwara, Rajasthan



Products

Denim fabric



Capacities

5 indigo processing lines with 295 looms for denim fabric weaving (capacity 48 MMPA)



Contribution

24% of the total revenues of SIL



COMPANY'S FOUNDATION

| PARTICULARS | AS OF 31 ST MARCH, 2021 | AS OF 31 ST MARCH, 2022 | AS OF 31 ST MARCH, 2023 |
|---|---------------------------------------|---------------------------------------|---------------------------------------|
| Spindles (nos.) | 2,36,832 | 2,63,280 | 2,65,875 |
| Open-end rotors (nos.) | 2,376 | 2,568 | 2,664 |
| Texturising machines (nos.) | 3 | 3 | 3 |
| Knitting machines (nos.) | 22 | 22 | 26 |
| Denim fabric processing lines (nos.) | 5 | 5 | 5 |
| Indigo rope dyeing range (M/c nos.) | 1 | 1 | 1 |
| Weaving machines (no. of looms) | 524 | 524 | 524 |
| Fabric processing (MMPA) | 72 | 72 | 72 |
| Garment processing (MTPA) | 511 | 511 | 511 |
| Seamless garments knitting machines (nos.) | 44 | 58 | 58 |
| Captive coal-based thermal power plants (in MW) | 31 | 16 | 16 |
| Captive solar power plants (in MW) | 13 | 13 | 13 |
| Wind power plants (in MW) in Jaisalmer | 5 | 5 | 5 |

| PARAMETER | YARN | FABRIC | GARMENTS |
|---|--|---|---|
| Revenue contribution (2022-23) | PV yarn: 34% | PV fabric: 19% | Garments: 3% |
| | Cotton yarn: 16% | Cotton fabric: 25% | |
| Geographic presence (by revenue share) | Domestic: 76% | Domestic: 65% | Domestic: 90% |
| | Export: 24% | Export: 35% | Export: 10% |
| Market position | Coloured PV yarn holds a market share of approximately 25% in India | SIL holds a mid-sized market share in the diversified fabric and denim market | SIL is an established and specialised player in the premium segment of women's activewear and sportswear in India |
| Customer | Manufacturer of synthetic and cotton fabric | Manufacturer of synthetic & denim garment and apparel | Retail customers |
| Demand drivers | There is a growing trend towards personal appearance | | Increasing population |
| | The textile industry is witnessing a rise in the production of natural fibres like cotton, silk, and wool, which are becoming increasingly popular | | The direct-to-consumer (D2C) model is becoming a significant driver of demand for garments |



SIL's strategic venture, C9 Airwear, has established a dominant market position in the women's innerwear industry. The Company offers a range of products, including leisure wear, activewear, intimate apparel, and shapewear, through its website, www.c9airwear.com, as well as on several third-party shopping platforms, such

as Myntra, Nykaa, Amazon, Flipkart, and Ajo. Due to its advanced technology, the Company can annually produce up to 50 lakhs of seamless garments. This allows it to provide customers with a diverse range of premium fabric choices.



2022-23 OPERATIONAL HIGHLIGHTS

The Cotton Expansion Project's outlay of ₹ 138 Crore will add a yarn capacity of 10,500 MTPA.

The Garment Project's outlay of ₹ 157 Crore is envisaged to be commenced in a phased manner with 106 machines under wholly-owned subsidiary, SVL.

The Denim Expansion Project has an outlay of ₹ 180 Crore, with 81 looms for denim fabric manufacturing for captive consumption.

Through its PV Fabric Expansion Project I, SIL has initiated further expansion in weaving units with a predicted outlay of ₹ 108 Crore, putting 67 newly advanced technology looms. The plant capacity shall be increased by 18 MM (million metres) of fabric per annum. This will increase the fabric production capacity from the existing 30 MM to 48 MM per annum.

As per the PV Fabric Expansion Project II, SIL has envisaged further expansion in the weaving unit with a project outlay of ₹ 178 Crore.

With the Yarn Expansion Project, SIL has envisioned further expansion in the spinning unit with a project outlay of ₹ 327 Crore, putting 9,120 spindles in cotton yarn and 2,400 open-end rotors.





FINANCIAL PERFORMANCE

KEY FINANCIAL RATIOS

| Particulars | 2022-23 | 2021-22 | % Change |
|--|---------|---------|----------|
| Key Financial Ratios | | | |
| Debt equity ratio | 0.91 | 0.85 | (7.06%) |
| Interest coverage ratio | 5.95 | 6.59 | (9.71%) |
| Liquidity Ratios | | | |
| Current ratio (incl. current maturities of long-term debt) | 1.23 | 1.20 | 2.5% |
| Current ratio (excl. current maturities of long-term debt) | 1.31 | 1.29 | 1.55% |
| Debtors' turnover (no. of days) | 47 | 56 | (16.07%) |
| Inventory turnover ratio (no. of days) | 68 | 79 | (13.92%) |
| Profitability Ratios | | | |
| Operating profit margin | 11.11% | 12.88% | (13.74%) |
| Net profit margin | 4.95% | 5.76% | (14.06%) |
| Return on net worth | 15.16% | 19.68% | (9.11%) |



RISKS

SIL's processes for risk identification, assessment, mitigation, and reporting are supported by an effective framework for risk management. The Risk Management Committee of the Company identifies a range of risks that

may affect its operations, including business dynamics risks, market risks, political risks, environmental risks and liquidity risks. Thereafter, SIL assesses those risks and develops a plan for reducing them.



HUMAN RESOURCES

The success of an organisation is closely linked to the level of satisfaction among its employees. SIL places great emphasis on the importance of hiring a diverse workforce and values the unique contributions that each employee brings to the table. The Company acknowledges that its intellectual capital is its most valuable asset, and any loss of it would have a significant negative impact

on its performance. Its primary objective is to attract and retain competent employees, while fostering a workplace environment that is fulfilling, safe, welcoming, and supportive of career growth.

Over the past year, the Company has undertaken several projects to enhance its HR systems and procedures,



while also introducing new tools to improve the overall employee experience. These initiatives focus on leadership development, succession planning, performance and recognition, employee engagement, and employer branding.

SIL has designed a systematic learning and development process to promote lifelong learning and skill development

among its employees. As of 31st March 2023, the Company employed around 12,000+ people across various locations and departments.

By emphasising the importance of a varied and engaged workforce, SIL is taking important steps towards ensuring its success and growth in the long-term.



INTERNAL CONTROL SYSTEM

SIL maintains appropriate and effective internal control systems, which are aligned with the size and complexity of its business. According to the Company’s perspective, among other considerations, these systems offer a fair guarantee that transactions are carried out with management authorisation. These systems have been implemented at every level. They are meant to ensure compliance with statutory and regulatory requirements for internal controls, as well as the accurate recording of

financial and operational data. The permissible compilation of financial accounts is ensured by generally accepted accounting standards. Moreover, the sufficient protection of the Company’s assets from major misappropriation or loss is also assured. A crucial component of SIL’s internal control system is an independent internal audit function. In addition to this, the Company also has a robust internal audit programme and regular reviews by Management and the Board’s Audit Committee.



CAUTIONARY STATEMENT

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

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



Board's Report

To the Members

The Board of Directors present the 37th Annual Report of the Company together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended 31st March, 2023.

FINANCIAL RESULTS

The highlights of the Company's financial performance, for the year ended is summarised below:

(₹ in Crore)

| Particulars | Standalone | | Consolidated | |
|--|-------------------------|--------------------------|-------------------------|--------------------------|
| | Current Year 2022-23 | Previous Year 2021-22 | Current Year 2022-23 | Previous Year 2021-22 |
| Revenue from Operations | 2,715.30 | 2,437.76 | 2,712.30 | 2,437.76 |
| Profit before Tax & Depreciation after Exceptional items | 239.66 | 254.71 | 239.05 | 254.43 |
| Depreciation | 78.17 | 70.34 | 79.39 | 70.34 |
| Profit before Tax | 161.49 | 184.37 | 159.66 | 184.09 |
| Tax Expense | | | | |
| Current Tax | 39.20 | 53.04 | 39.20 | 53.04 |
| Deferred Tax | (5.63) | (13.89) | (3.46) | (13.89) |
| Tax Expense for Earlier Years | (6.62) | 4.29 | (6.62) | 4.29 |
| Profit for the year | 134.54 | 140.22 | 130.54 | 139.94 |

OPERATIONAL RESULTS AND STATE OF AFFAIRS

Standalone

The Company's Revenue from Operations during 2022-23 is ₹ 2,715.30 Crore as against ₹ 2,437.76 Crore during previous year.

The Profit before depreciation and tax (PBDT) is ₹ 239.66 Crore during 2021-2022 as against ₹ 254.71 Crore in previous year. The Net Profit after tax of the Company is ₹ 134.54 Crore in the current year as against ₹ 140.22 Crore in previous year.

Consolidated

The Company Revenue from Operations during 2022-23 is ₹ 2,712.30 Crore as against ₹ 2,437.76 Crore during previous year. The Net Profit after tax of the Company is ₹ 130.54 Crore in the current year as against ₹ 139.94 Crore in previous year.

During the year, the Company's had export revenue of ₹ 757 Crore as against ₹ 921 Crore in previous year. The exports constituted about 28% of the total revenue of the Company.

EXPANSION PROGRAM

SPINNING DIVISION

The Company's has expanded the projects phase II for installation of 32,832 spindles for manufacturing of Cotton yarn at Spinning Unit-II, Village Sakeri Bhilwara (Raj.) having total outlay of ₹ 138 Crore. The production capacity of expansion projects phase II is 10,500 metric tons per annum.

DENIM DIVISION

The Company has expanded the project for installation of 81 looms for manufacture of denim fabrics at Denim Unit, Village Biliya Kalan, Bhilwara (Raj.) having total outlay of ₹ 180 Crore.

WEAVING DIVISION

Sangam Ventures Limited (a Wholly Owned Subsidiary Company) has expanded the projects for installation of 106 Circular Knitting Machines for manufacturing of Seamless Garments at Village Atun, Chittorgarh Road, Bhilwara, Rajasthan having total outlay of ₹ 157 Crore. The partial commercial production and sales is started in the month of April, 2022.

The Company has expanded and modernise program of its weaving and processing units situated at Village Atun, Chittorgarh Road, Bhilwara (Raj.) having total outlay of ₹ 108 Crore. Due to this capacity of fabric production shall be increased by 15.00 Lakhs Meters / Month will lead to total capacity of 40.00 Lakhs Meters / Month.

TRANSFER TO RESERVE

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



Board's Report (Contd.)

DIVIDEND

The Board of Directors is pleased to recommend a dividend of ₹ 2/- per Equity Share of the face value of ₹ 10/- each (@20%) for the 2022-23, subject to the approval of the shareholders at the ensuing Annual General Meeting.

SHARE CAPITAL

The paid-up share capital of your company increased by ₹ 4,342.15 to ₹ 4,504.65 Lakhs during the year under review. The Board of Directors of the Company allotted 11,25,000 equity shares as sweat equity on 01st August, 2022 to the persons belonging to the promoter and promoter group. The issue of sweat equity shares was approved by shareholders of the Company in Extra-Ordinary General meeting held on 16th July, 2022.

During the period under review, 5,00,000 Warrants has been converted into equal number of Equity Shares of ₹ 10/- each at a premium of ₹ 170/- per share on 28th September, 2022 to non-promoter.

The sweat equity shares and Equity shares issued by conversion of warrants have been listed with NSE & BSE during the year under review.

EMPLOYEES BENEFITS SCHEME(S)

During the year under review, the shareholders of the Company has approved the Sangam (India) Limited Employees Stock Option Scheme- 2022 (ESOP Scheme, 2022) in the Extra-Ordinary General Meeting held on 16th July, 2022. The pool of the ESOP Scheme is 10,00,000 Options which shall be convertible into equal number of shares.

During the year, the Company has granted 4,27,500 (Four Lakhs Twenty Seven Thousand Five Hundred) Stock Options under Sangam (India) Limited Employees Stock Option Scheme- 2022. to the eligible employees of the Company, its Group Company including its Subsidiary Company. The Sangam (India) Limited Employees Stock Option Scheme-2022 is in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The ESOP Scheme of the Company has been implemented in accordance with SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 and the resolutions passed by the shareholders approving the said plan. A certificate from the Secretarial Auditor of the Company in this regard would be available at the Annual General Meeting for the inspection by the Members.

The weblink of the Disclosure with respect to 'Sangam (India) Limited Employees Stock Option Scheme 2022' of the Company in pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits

and Sweat Equity) Regulations, 2021 as per Part-F of Schedule-I of the said regulations is <https://sangamgroup.com/financials/Handbook/esopdisclosure.pdf>.

The Board of Directors proposed to increase the Pool of the Scheme to 22,50,000 (Twenty Two Lakhs Fifty Thousand) Options which shall be convertible into equal number of shares and other amendments for approval of the Shareholders in this Annual General Meeting.

WHOLLY OWNED SUBSIDIARY COMPANY

The Company has one Wholly Owned Subsidiary viz., Sangam Ventures Limited ("SVL"). The Subsidiary company is undergoing to setup a world class plant for seamless garments in various blends such as polyamide, spandex, polypropylene and natural fibres and to enhance the product range of the company.

In accordance with Section 129(3) of the Companies Act, 2013 ("Act"), the company has prepared a Consolidated Financial Statements of the company and its subsidiary, which is forming part of the Annual Report. In accordance with Section 136 of the Companies Act, 2013, the Audited Financial Statements including Consolidated Financial statements, auditors' report and every other document and related information of the company, wherever applicable, are available on the company's website www.sangamgroup.com.

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

The Company has adopted the policy for determining material subsidiaries in term of Regulation 16(1)(c) of SEBI (LODR) Regulations, 2015 as amended from time to time and the policy may be accessed on the company's website at weblink <https://sangamgroup.com/financials/Policies/Material%20Subsidiaries%20Policy.pdf>.

CONSOLIDATED FINANCIAL STATEMENTS

The Audited Consolidated Financial Statements for the Financial Year ended 31st March, 2023, based on the financial statements received from Wholly Owned Subsidiary Company as approved by its Board of Directors, have been prepared in accordance with the applicable accounting standards as prescribed under the Companies (Accounts) Rules, 2014 and the Companies Act, 2013 ("the Act") and forms an integral part of this Annual Report.

UNCLAIMED DIVIDEND AND SHARES

In accordance with the provisions of Sections 124, 125 and

Board's Report (Contd.)

other applicable provisions, if any, of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), mandates the companies to transfer the amount of dividend, which remained unclaimed, for a period of seven years, from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the Rules also mandate that all the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of IEPF.

During the years under review, the Company has transferred the unclaimed dividend of ₹ 4,10,188 and 5,095 Equity Shares to IEPF. The shareholders may note that both the unclaimed dividend and corresponding shares, which has been transferred to IEPF, including all benefits arising on such shares, can be claimed from IEPF as per the procedure provided under the applicable provisions of the Companies Act, 2013.

The details of the unclaimed dividends and shares so transferred have been uploaded in the Company's website <https://sangamgroup.com/investors-handbook/>

PUBLIC DEPOSITS

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

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

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

PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

Board's Report as **Annexure II**.

All related party transactions entered into during the financial year were placed before the Audit Committee and the Board of Directors for their review and approval. Prior omnibus approval of the Audit Committee is obtained on an annual basis for the transactions which are repetitive in nature and omnibus approvals are taken as per the policy laid down for unforeseen transactions. Related party transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. There were no material subsidiary companies as define in Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Related party transactions entered during the financial year under review are disclosed in Notes no. 53 to the financial statements of the Company for the financial year ended 31st March, 2023.

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

DIRECTOR AND KEY MANAGERIAL PERSONNEL

The Board of Directors consists of 9 (Nine) members, of which 5 (Five) are Independent Directors. The Board also has one woman Independent Director.

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

Shri Sudhir Maheshwari has been appointed as Director in category of Non- Executive Independent Director of the Company w.e.f. 01st August, 2022 to hold office for a term of 3 years. Dr. S.N. Modani, Managing Director and Shri V. K. Sodani, Executive Director of the Company has been re-appointed for a period of five years effective from 01st October, 2022 at the 36th Annual General Meeting.

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

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section



Board's Report (Contd.)

149(6) of the Companies Act, 2013 and Regulation 16 (1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and confirmation that they have complied with the Code of Independent Directors prescribed in the Schedule IV of the Companies Act, 2013. The terms and conditions for the appointment of the Independent Directors are disclosed on the website of the Company.

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

The Nomination and Remuneration Policy has been in place for the appointment of Directors and Senior Management and fixation of their remuneration. The Nomination and Remuneration Committee and Board reviewed the performance of Board, its committee and all Individual Directors of the Company and expressed its satisfaction over the performance of them. The Independent Directors in their separate meeting have reviewed the performance of non-independent directors, Chairperson and Board as a whole along with review of quality, quantity and timeliness of flow of information between Board and management and expressed their satisfaction over the same. The Nomination and Remuneration Policy is available under the link <http://www.sangamgroup.com/financials/Policies/Remuneration%20Policy.pdf>

BOARD OF DIRECTORS AND MEETINGS

The members of the Company's Board of Directors are eminent persons of proven competence and integrity. Besides experience, strong financial acumen, strategic astuteness and leadership qualities, they have a significant degree of commitment towards the Company and devote adequate time to the meetings and preparation for attending the meetings.

The Board meets at regular intervals to discuss and decide on Company's business policy and strategy apart from other Board businesses. The Board exhibits strong operational oversight with regular presentations in every quarterly meeting.

Seven meetings of the Board were held during the year. The detail of meetings of the Board held during the year forms part of the Corporate Governance Report.

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

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

SECRETARIAL STANDARDS

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

AUDIT COMMITTEE

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

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

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

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

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

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

Board's Report (Contd.)

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company is committed to make a positive contribution to communities where it operates. Pursuant to Section 135 of the Companies Act, 2013, the Company constituted CSR committee and formulated CSR Policy as guiding principle for undertaking CSR activities. The Company's vision on CSR is that the Company being a responsible Corporate Citizen would continue to make a serious endeavor for improvement in quality of life and betterment of society through its CSR related initiatives.

During the current year, the Company has spent ₹ 277.94 Lakhs on CSR activities. The disclosures of CSR activities pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 9 of Companies (Corporate Social Responsibility) Rules, 2014 is annexed as **Annexure – III** hereto and form part of this report.

RISK MANAGEMENT POLICY

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

INTERNAL FINANCIAL CONTROL

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

M/s. R. Kabra & Co. LLP, Chartered Accountants (FRN: 104502W/W100721) and M/s O.P. Dad & Co., Chartered Accountants (FRN: 002330C), the Statutory Auditors of the Company audited the financial statements included in this Annual Report and issued a report on the internal controls over financial reporting (as defined in Section 143 of the Companies Act, 2013).

WHISTLE BLOWER POLICY / VIGIL MECHANISM

In pursuance of Section 177 (9) of the Companies Act, 2013 and the regulation 22 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and with the objective of pursuing the business in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour and to encourage and protect the employees who wish to raise and report their genuine concerns about any unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct, the Company has adopted a Whistle Blower Policy. The policy has been disclosed on the website of the Company under the link <http://www.sangamgroup.com/financials/Policies/Whistle%20Blower%20Policy.pdf>

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

CORPORATE GOVERNANCE REPORT

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

CODE OF CONDUCT

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

STATUTORY AUDITORS

In accordance with the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, M/s. R. Kabra & Co. LLP Chartered Accountants (FRN: 104502W/W100721) for a first term and M/s O.P. Dad & Co., Chartered Accountants (FRN: 002330C) for second term were appointed as the Statutory Auditors of the Company for a period of five years to hold office from the conclusion of the 36th Annual General Meeting of the Company held on 29th September, 2022 till the conclusion of the 41st Annual General Meeting to be held in the year 2027.

AUDITORS' REPORT

As regards Auditors observations, the relevant notes on account are self-explanatory and therefore, do not call



Board's Report (Contd.)

for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

COST AUDITORS

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of Cost Records every year. The Board after considering the recommendations of its Audit Committee has appointed M/s K.G. Goyal & Company, Cost Accountants, Jaipur (Firm Registration No. 000017) as cost auditors for the financial year 2023-24, subject to the approval of the members at the ensuing Annual General Meeting.

COST RECORDS

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

SECRETARIAL AUDITOR REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, M/s. B K Sharma and Associates, Company Secretaries was appointed as Secretarial Auditors to conduct secretarial audit of the Company for the 2022-23. The Secretarial Audit Report for the 2022-23 is attached as **Annexure-IV**. The observations in the report are self-explanatory and therefore, do not call for any further comments.

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

The Company has always believed in providing a safe and harassment-free workplace for every individual working in the Company. The Company has complied with the applicable provisions of the aforesaid Act and the Rules framed thereunder, including constitution of the Internal Complaints Committee (ICC). The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the Financial Year ended 31st March, 2023 no complaint was reported.

PARTICULARS OF REMUNERATION OF DIRECTORS / KMP/ EMPLOYEES

Statement showing disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as Annexure-V to the Board's Report.

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

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

GENERAL DISCLOSURES

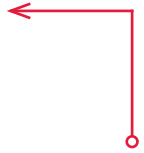
Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

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

DIRECTORS RESPONSIBILITY STATEMENT

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

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. They had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2023 and of the profit of the Company for the year ended on that date;
3. They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. They had prepared the annual accounts of the Company for the year ended on 31st March, 2023 on a going concern basis;



Board's Report (Contd.)

5. They had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

DIVIDEND DISTRIBUTION POLICY

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Dividend Distribution Policy is displayed on the website of the Company at <https://sangamgroup.com/financials/Policies/distribution.pdf>

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

As per Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility and

Sustainability Report is being given separately and forms part of this Annual Report.

ANNUAL RETURN

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

ACKNOWLEDGEMENT

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

For and on Behalf of the Board of Directors

Place: Bhilwara
Date: 28th April, 2023

R.P Soni
Chairman
(DIN : 00401439)





Annexure-I

FORM AOC-1

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

PART "A": SUBSIDIARIES

(₹ in Lakhs)

| Sr. No. | Particulars | Description |
|---------|---|------------------------------|
| 1. | Name of the subsidiary | Sangam Ventures Limited |
| 2. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 31 st March, 2023 |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | ₹ |
| 4. | Share capital | 1,197.00 |
| 5. | Reserve & Surplus | 3,366.95 |
| 6. | Total assets | 9,800.85 |
| 7. | Total Liabilities | 9,800.85 |
| 8. | Investments | - |
| 9. | Turnover | 94.73 |
| 10. | Profit before taxation | (125.33) |
| 11. | Provision for taxation | (216.15) |
| 12. | Profit after taxation | (341.48) |
| 13. | Proposed Dividend | - |
| 14. | % of shareholding | 100% |

Note

- Names of Subsidiaries which are yet to commence operations. – Nil
- Names of Subsidiaries which have been liquidated or sold during the year – Nil

For and on behalf of the Board

(R.P. Soni)

Chairman
(DIN: 00401439)

(Dr. S.N. Modani)

Managing Director & CEO
(DIN 00401498)

(V.K. Sodani)

Executive Director
(DIN 00403740)

(Anurag Soni)

Director & CFO
(DIN 03407094)

Place: Bhilwara

Date: 28th April, 2023

Annexure-II

FORM NO. AOC- 2

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

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

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

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

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

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

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

Place: Bhilwara
Date: 28th April, 2023

R.P Soni
Chairman
(DIN : 00401439)



Annexure-III

Format for the Annual Report on CSR Activities for Financial Year commencing after 1st Day of April, 2022

ANNUAL REPORT ON CSR ACTIVITIES

1. BRIEF OUTLINE OF THE COMPANY'S CSR POLICY

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

2. COMPOSITION OF CSR COMMITTEE

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

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: <http://www.sangamgroup.com/financials/Policies/CSR%20Policy.pdf>

4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any- Not Applicable

6. AVERAGE NET PROFIT

The Average Net Profit of the Company for last three financial years is ₹ 7,367.75 Lakhs.

7. (a) Two percent of average net profit of the Company as per section 135(5):- 147.36 Lakhs
 (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: - Nil
 (c) Amount required to be set off for the financial year :- 56.32 Lakhs
 (d) Total CSR obligation for the financial year (7a+7b-7c) :- 91.04 Lakhs

8. (a) Details of CSR spent or Unspent for the financial year

(₹ in Lakhs)

| Total Amount Spent for the Financial Year (₹ in Lakhs) | Amount Unspent (₹ in Lakhs) | | | | |
|---|---|------------------|---|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per Sec 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of fund | Amount | Date of Transfer |
| 277.94 | NA | NA | NA | NA | NA |

Annexure-III (Contd.)

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

(₹ in Lakhs)

| Sl. No | Name of the Projects | Item from the list of activities in Schedule VII to the Act | Local Area (Yes / No) | Location of the Projects | | Project duration | Amount allocated for the project | Amount spent in the current financial year | Amount transferred to Unspent CSR account for the projects as per Section 135(6) | Mode of Implementation Direct (Yes / No) | Mode of Implementation Through Implementing Agency | |
|----------------|----------------------|---|-----------------------|--------------------------|----------|------------------|----------------------------------|--|--|--|--|-------------------------|
| | | | | State | District | | | | | | Name | CSR Registration number |
| Not Applicable | | | | | | | | | | | | |

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

(₹ in Lakhs)

| S. No. | Name of the Projects | Item from the list of activities in Schedule VII to the Act | Local Area (Yes / No) | Location of the Projects | | Amount spent for the projects (₹ in Lakhs) | Mode of Implementation Direct (Yes / No) Name | Mode of Implementation Through Implementing Agency | |
|--------|--|---|-----------------------|--------------------------|-----------|--|---|--|-------------------------|
| | | | | District | State | | | Name | CSR Registration number |
| 1 | Contribution towards setting up old age homes, and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups | Promoting gender equality, setting up old age home | No | Ayodhya | U.P. | 120.00 | No | ABMM Maheshwari Relief Foundation | CSR00001475 |
| 2 | Contribution toward CC Road work at Village Gathila Khera and Construction of Waiting hall plate farm at Funeral, Village Rupaheli Dist. Bhilwara | Rural Development | Yes | Bhilwara | Rajasthan | 74.31 | Yes | N.A. | N.A. |
| 3 | Provide scholarship to the meritorious and poor students | Promoting education among children, women, elderly, etc. | Yes | Bhilwara | Rajasthan | 26.00 | No | M/s Badrilal Soni Charitable Trust | CSR00002112 |
| 4 | Distribution of 1 lacs Plants and 5000 Tree Guards etc. in Dist. Bhilwara (Raj.) | Ensuring Environmental sustainability | Yes | Bhilwara | Rajasthan | 24.65 | Yes | M/s Badrilal Soni Charitable Trust & Direct | CSR00002112 |
| 6 | Supply of food to poor and indigent people, children etc. and other deprived sections of the society | Eradicating hunger, poverty and malnutrition | Yes | Bhilwara | Rajasthan | 10.54 | No | M/s Kesar bai Soni Charitable Trust | CSR00002118 |
| 7 | Contribution for maintenance of Simrithi Van Park at Bhilwara | Ensuring Environmental sustainability | Yes | Bhilwara | Rajasthan | 10.20 | No | M/s Badrilal Soni Charitable Trust | CSR00002112 |



Annexure-III (Contd.)

(₹ in Lakhs)

| S. No. | Name of the Projects | Item from the list of activities in Schedule VII to the Act | Local Area (Yes / No) | Location of the Projects | | Amount spent for the projects (₹ in Lakhs) | Mode of Implementation Direct (Yes / No) Name | Mode of Implementation Through Implementing Agency | |
|--------------|---|---|-----------------------|--------------------------|-----------|--|---|--|-------------------------|
| | | | | District | State | | | Name | CSR Registration number |
| 8 | Distribution of Cotton carry bag_20000 pcs to Rajasthan Scouts & Guide Institute to protect the environment and eliminate plastic use | Ensuring Environmental sustainability | Yes | Bhilwara | Rajasthan | 3.89 | Yes | N.A. | N.A. |
| 9 | Contribution to rehabilitation of vocational training for disabled mute deaf and visually impaired children | Promoting education | Yes | Bhilwara | Rajasthan | 2.00 | No | Badhir Bal Kalyan Vikas Samiti | CSR00007249 |
| 10 | Supply drinking water at Gram Panchyat Guwardi. Dist. Bhilwara | Sanitation and making available safe drinking water | Yes | Bhilwara | Rajasthan | 0.53 | Yes | N.A. | N.A. |
| 11 | Contribution towards promoting education and construction of school building Village Gathila Kheda and Village Guwardi, Dist Bhilwara | Promoting education | Yes | Bhilwara | Rajasthan | 5.82 | Yes | N.A. | N.A. |
| Total | | | | | | 277.94 | | | |

- (d) Amount spent in Administrative Overheads: Nil
- (e) Amount spent on Impact Assessment, if applicable: N.A.
- (f) Total amount spent for the financial year (8b+8c+8d+8e): ₹ 277.94 Lakhs
- (g) Excess amount for set off, if any: N.A.

| Sr. No. | Particulars | Amount (₹ In Lakhs) |
|---------|---|---------------------|
| 1. | Two percent of average net profit of the Company as per section 135(5) | 147.36 |
| 2. | Total amount spent for the Financial Year | 277.94 |
| 3. | Excess spend of prior year set off during the year | 56.32 |
| 4. | Excess amount spent for the financial year | 186.90 |
| 5. | Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any | - |
| 6. | Amount available for set off in succeeding financial years | 186.90 |

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

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

Annexure-III (Contd.)

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

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

- 10.** In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details):
- Date of creation or acquisition of the capital asset(s): Not applicable
 - Amount of CSR spent for creation or acquisition of capital asset: Not applicable
 - Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not applicable
 - Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not applicable
- 11.** Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5): Not applicable
- 12.** In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report: Not Applicable
- 13.** The CSR committee confirms that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company.

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

(R.P. Soni)

(DIN 00401439)

Chairman of CSR Committee

(Dr. S.N. Modani)

(DIN : 00401498)

Managing Director & CEO

Date: 28th April, 2023

Place: Bhilwara



Annexure-IV

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2023

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

To
The Members

SANGAM (INDIA) LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SANGAM (INDIA) LIMITED (hereinafter referred as "the Company") for the financial year ended 31st March, 2023 ("period under review"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

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

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

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

(Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

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

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

Annexure-IV (Contd.)

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

We further report that:-

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

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

We further report that –

- The shareholders of the Company has approved Sangam (India) Limited Employees stock option scheme, 2022 (ESOP) vide special resolution passed in their meeting held on 16th July, 2022

through trust route. The Board of Directors has granted 4,27,000 stock options under the scheme to the employees of the Company on 1st August, 2022.

- The Company has issued 11,25,000 equity shares as sweat equity to the members of promoter group with the approval of shareholders in their meeting held on 16th July, 2022. The Board of Directors has allotted these 11,25,000 shares in its Board meeting held on 1st August, 2022.
- The Board of Directors of the Company at their meeting held on 28th September, 2022 has allotted 5,00,000 Equity shares in pursuance of the conversion of fully paid up warrants.
- During the period under review, the paid up capital of the Company has increased from ₹ 43,42,15,590 (Rupee Forty Three Crore Forty Two Lakhs Fifteen Thousand Five Hundred Ninety) to ₹ 45,04,65,590/- (Rupees Forty-Five Crore Four Lakhs Sixty-Five Thousand Five Hundred Ninety only)

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

For B K Sharma and Associates

Company Secretaries
Unique Code: S2013RJ233500

BRIJ KISHORE SHARMA

Proprietor
M. No. : FCS – 6206; CP No.: 12636
Peer Review Certificate No.: 1172/2021

UDIN: F006206E000232828

Place: Jaipur
Date: 28th April, 2023



'Annexure A'

To,

The Members

SANGAM (INDIA) LIMITED

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

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

For B K Sharma and Associates

Company Secretaries
Unique Code: S2013RJ233500

BRIJ KISHORE SHARMA

Proprietor
Membership No.: FCS - 6206
CP No.: 12636
Peer Review Certificate No.: 1172/2021
UDIN: F006206E000232828

Place: Jaipur
Date: 28th April, 2023

Annexure-V

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

- 1. The percentage increase in remuneration of each Director, Key Managerial Personnel (KMP) during the financial year 2022-2023, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-2023 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are given hereunder:

Table with 5 columns: Sr. No., Name of Director, Designation, Percentage increase/decrease in remuneration, Ratio of remuneration of Director to median remuneration of employees. Rows include Shri R.P. Soni, Dr. S.N. Modani, Shri V. K. Sodani, Shri Anurag Soni, and Shri A.K. Jain.

- 2. Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration: There was no increase in average percentage in the salaries of employees other than the managerial personnel for the year 2022-23.
3. No employee has received remuneration in excess of highest paid Director of the Company during the financial year 2022-23.
4. It is hereby affirmed that the remuneration paid as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Annexure-VI

CONSERVATION OF ENERGY

- (i) Energy Conservation measures taken
1. Conversion of 6 MW Condensing Turbine in Backpressure Turbine
 2. Reduction Of Compressed Air Leakage
 3. Modification Of Wcs Duct To Reduce Power Consumption
 4. Auto Coner Machine Speed Optimisation In Suction Fan Motor
 5. Installation Of Vfd 3.7kw (24 Nos.)
 6. Installation Of Vfd 11kw (09 Nos.)
 7. Installation Of Conventional Light With Led Light
 8. Installation Of Solar Street Light
 9. Installation Of Vfd 0.37kw (2 Nos.)
 10. Installation Of Vfd 3kw (2 Nos.)
 11. Installation Of Vfd 2.2kw (3 Nos.)
 12. Installation Of Vfd 22kw (2 Nos.)
 13. Installation Of Vfd 4kw (1 No.)
 14. Installation Of Vfd 18.5kw (1 No.)

- (ii) The steps taken by the Company for utilising alternate sources of energy

The Company has installed Total 13 MW roof top solar power plant at various units of the Company. Company also setting up Biomass based co-generation thermal power plant to meet the power and steam requirement.

- (iii) The capital investment on energy conservation equipments;

The Company keeps on replacing old machines with new energy efficient machines. Also the Company has replaced old motors with new energy efficient motors. Company also setting up Biomass based co-generation thermal power plant to meet the power and steam requirement.

TECHNOLOGY ABSORPTION

- (i) The efforts made towards technology absorption;
- The Company has installed "ZLD" ETP plants. the Company has developed variety of slub, fancy yarns and gridnle yarn. Varieties of seamless garments have been developed.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution;
- Technological up gradation of various machineries has improved the product quality, reduction in customer complaints, cost reduction, manpower engagement and energy savings.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – N.A.
- (iv) The expenditure incurred on Research and Development
- The Company has incurred more than 11.28 Crore research and development during the year.

FOREIGN EXCHANGE EARNING AND OUTGO

(₹ in Crore)

| Particulars | March 31 st , 2023 | March 31 st , 2022 |
|--------------------------------|----------------------------------|----------------------------------|
| a) Total Foreign Exchange used | 94.30 | 77.45 |
| b) Earning in Foreign Exchange | 735.50 | 863.99 |

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

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

Date: 28th April, 2023
Place: Bhilwara



Corporate Governance Report

Your Directors present the Company's Report on Corporate Governance for the year ended on 31st March, 2023.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is the application of best management practices, compliances of law and adherence to ethical standards to achieve the Company's objectives of enhancing shareholder value and discharging social responsibilities. Adopting high standards gives comfort to all existing and potential stakeholders, including government and regulatory authorities, customers, suppliers, bankers, employees and shareholders.

Your Company believes in adopting and adhering to the best standards of Corporate Governance. Sangam (India) Limited philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, disclosures, accountability and equity in all spheres of its operations.

Your Company is committed towards transparency in all its dealings and places high emphasis on business principles and believes good Corporate Governance goes beyond working results and financial priority and is a pre-requisite for the attainment of excellent performance.

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

Regulations'), as applicable, with regards to Corporate Governance.

BOARD OF DIRECTORS

The Board of Directors of the Company are in a fiduciary position, empowered to oversee the management functions with a view to ensuring its effectiveness and enhancement of shareholder value. The Board also provides strategic direction, reviews and approves management's business objectives, plans and oversees risk management.

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013 (hereinafter referred to as "Act"). The Board of Directors has an optimum combination of Executive, Non-Executive and Independent Directors. As on 31st March, 2023, the Company has Nine Directors. Out of which, four are Promoters and Executive Directors and five Independent Non-Executive Directors. All Directors possess relevant qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to effectively contribute to the Company in their capacity as Directors.

COMPOSITION

Composition of the Board of Directors of the Company as on 31st March, 2023 was as under with details of other directorships and committee chairmanship and memberships: -

| Name | Category of Director | No. of other Directorship and Committee Chairmanship and Memberships in other Public Company | | | List of Directorship held in Other Listed Companies and Category of Directorship |
|---|---------------------------|--|---------------------------|-------------------------|--|
| | | Other Directorships | Chairman of the Committee | Member of the Committee | |
| Shri R.P. Soni (DIN: 00401439) | Promoter Executive | Three | Nil | Nil | Nil |
| Dr. S.N. Modani (DIN: 00401498) | Promoter Executive | Nil | Nil | Nil | Nil |
| Shri Anurag Soni (DIN: 03407094) | Promoter Executive | Five | Nil | Nil | Sangam Finserv Ltd. (Non-Executive Director) |
| Shri V.K. Sodani (DIN: 00403740) | Promoter Executive | Two | Nil | Two | Sangam Finserv Ltd. (Non-Executive Director) |
| Shri Achintya Karati (DIN: 00024412) | Independent Non-executive | Three | One | Two | <ul style="list-style-type: none"> Jay Bharat Maruti Ltd. (Independent Director) Delton Cables Ltd. (Independent Director) |
| Shri T.K. Mukhopadhyay (DIN: 00239251) | Independent Non-executive | One | Nil | Nil | Nil |
| Smt. Jyoti Sharma (DIN:08741591) | Independent Non-executive | Nil | Nil | Nil | Nil |

Corporate Governance Report (Contd.)

| Name | Category of Director | No. of other Directorship and Committee Chairmanship and Memberships in other Public Company | | | List of Directorship held in Other Listed Companies and Category of Directorship |
|--|-----------------------------|--|---------------------------|-------------------------|--|
| | | Other Directorships | Chairman of the Committee | Member of the Committee | |
| Shri Yaduvendra Mathur (DIN: 00307650) | Independent Non - executive | Two | Nil | Nil | • PHF Leasing Limited (Independent Director) |
| Shri Sudhir Maheshwari (DIN: 02376365) | Independent Non - executive | One | Nil | Nil | Nil |

Notes:

1. Other Company directorship excluding foreign companies and companies under Section 8 of the Act, alternate directorship and trust.
2. Only Audit Committee and Stakeholders Relationship Committee have been considered as per Regulation 26 of the ("The Listing Regulations").
3. Shri Anurag Soni, Dr. S. N. Modani, Shri V. K. Sodani and Shri R. P. Soni are related to each other. Dr. S.N. Modani and Shri V. K. Sodani are the Sons-in-Law of Shri R. P. Soni and Shri Anurag Soni is Son of Shri R.P.Soni. No other Director is related to any other Director on the Board.
4. None of the Directors hold the office of director in more than the permissible under the Act, or Regulation 25 and 26 of the Listing Regulations.
5. Shri Sudhir Maheshwari appointed as Directors in category of Non-executive Independent w.e.f. 01st August, 2022.
6. Shri R. P. Soni, Dr. S.N. Modani, Shri Anurag Soni and Shri V. K. Sodani, Directors are liable to retire by rotation.

BOARD MEETING

The Board meets at regular intervals to discuss and decide on various business decisions, strategies, policies and review the performance of the Company and its subsidiary and the maximum interval between any two meetings did not exceed 120 days. the Company adheres to the Secretarial Standards on the Board and Committee Meetings as prescribed by the Institute of Company Secretaries of India. the Company also provides Video Conference facility, if required, for participation of the Directors at the Board/ Committee Meetings.

The Board has complete access to any information within the Company. Agenda papers containing all necessary information/documents are made available to the Board/ Committee Members in advance to enable them to discharge their responsibilities effectively and take informed decisions.

Seven meetings of the Board were held during the financial year 2022-2023 on April 30, 2022, May 30, 2022, June 17, 2022, 01st August, 2022, 28th September, 2022, November

10, 2022 and on February 13, 2023. The last Annual General Meeting was held on 29th September, 2022.

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

| Sr. No. | Name of Director | No. of Board Meetings attended | Whether attended Last AGM |
|---------|------------------------|--------------------------------|---------------------------|
| 1 | Shri R. P. Soni | Seven | Yes |
| 2 | Dr. S. N. Modani | Six | Yes |
| 3 | Shri Anurag Soni | Seven | Yes |
| 4 | Shri V. K. Sodani | Seven | Yes |
| 5 | Shri Achintya Karati | Six | Yes |
| 6 | Shri T.K. Mukhopadhyay | Seven | No |
| 7 | Smt. Jyoti Sharma | Six | Yes |
| 8 | Shri Yaduvendra Mathur | Six | Yes |
| 9 | Shri Sudhir Maheshwari | Two | No |

Note: Shri Sudhir Maheshwari appointed as Directors in category of Non-executive Independent w.e.f. 01st August, 2022.



Corporate Governance Report (Contd.)

APPOINTMENT AND MEETING OF INDEPENDENT DIRECTORS

During the financial year 2022-2023, the Independent Directors met on May 30, 2022. The meeting was held without the presence of Executive Directors or management personnel of the Company. Such meeting was conducted to enable Independent Directors to discuss matters pertaining to the Company's affairs and matters mentioned in Schedule IV to the Act. The Independent Directors take appropriate steps to present their views to the Chairman.

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

INDEPENDENT DIRECTORS CONFIRMATION BY THE BOARD

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

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

BOARD SKILLS AND EXPERTISE

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

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

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

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

Expertise/Skill of individual directors are highlighted below:

| Name of Director | Area of Expertise | | | | | |
|------------------|-------------------|-----------|-------------------------------|--------------------|--------------------------------|-----------------|
| | Business | Financial | Board Services and Governance | Specialized Skills | Leadership and sound Judgement | Other diversity |
| Shri R.P. Soni | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Dr. S.N. Modani | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Shri V.K. Sodani | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Corporate Governance Report (Contd.)

| Name of Director | Area of Expertise | | | | | |
|------------------------|-------------------|-----------|-------------------------------|--------------------|--------------------------------|-----------------|
| | Business | Financial | Board Services and Governance | Specialized Skills | Leadership and sound Judgement | Other diversity |
| Shri Anurag Soni | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Shri Achintya Karati | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Shri T.K. Mukhopadhyay | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Smt. Jyoti Sharma | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Shri Yaduvendra Mathur | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Shri Sudhir Maheshwari | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

On appointment of an individual as Director, the Company issues a formal Letter of Appointment to the concerned director, setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a formal familiarization program including the presentation from the Chairman & Managing Director providing information relating to the Company, business model of the Company, geographies in which Company operates, etc. The programme also provides awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarization Programme also provides information relating to the financial performance of the Company and budget and control process of the Company.

The details of familiarization programmes imparted to Independent Directors are available on the Company's website, viz <https://sangamgroup.com/investors-handbook/>

CEO/CFO CERTIFICATION

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

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Company has laid down a code of conduct for the members of the Board and senior management personnel of the Company. The said code of conduct has been posted on the Company's website, i.e. <https://sangamgroup.com/financials/Policies/Code%20Conduct%20for%20Directors.pdf>. The code of conduct has been circulated to all the

members of the Board and senior management personnel and they have affirmed their compliance with the said code of conduct for the financial year ended 31st March, 2023. The prime purpose of the code is to create an environment wherein all the Board Members and Senior Management of the Company maintain ethical standards and to ensure compliance with the laid down ethical standards.

INSIDER TRADING CODE

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

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

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

COMMITTEES OF THE BOARD

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



Corporate Governance Report (Contd.)

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

(A) AUDIT COMMITTEE

Constitution

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

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

Meeting

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

Date of meetings - Five meetings of the Audit Committee were held during the financial year 2022-2023 on April 30, 2022, May 30, 2022, 01st August, 2022, November 10, 2022 and on February 13, 2023.

Composition and Attendance

The Composition and Attendance of the Audit Committee as on 31st March, 2023 was as follows:

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

ROLE OF AUDIT COMMITTEE

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

Corporate Governance Report (Contd.)

- (11) Evaluation of internal financial controls and risk management systems;
- (12) Reviewing with the management, performance of statutory and internal auditor's adequacy of the internal control systems;
- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) Discussion with internal auditors of any significant findings and follow up there on;
- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the whistle blower mechanism;
- (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

Review of information by Audit Committee

The Audit Committee reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee

6. Statement of deviations
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
 - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

(B) NOMINATION AND REMUNERATION COMMITTEE

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

Meeting

Four meetings of Nomination and Remuneration Committee were held during the financial year 2022-2023 on April 30, 2022, June 17, 2022, 01st August, 2022 and on February 13, 2023.

Composition and Attendance

The composition and attendance of the Nomination and Remuneration Committee as on 31st March, 2023 was as follows:

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

Terms of reference

The Nomination and Remuneration Committee is responsible for:

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (ii) Formulation of criteria for evaluation of performance of independent directors and the Board;



Corporate Governance Report (Contd.)

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

REMUNERATION OF MANAGING DIRECTOR, WHOLE TIME DIRECTOR AND KMP

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

REMUNERATION OF NON-EXECUTIVE DIRECTOR (NED)

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

Details of Remuneration Paid or Payable to Directors for 2022-2023:-

(₹ in Lakhs)

| Name of Director | Sitting fees | Salary | Perquisites and allowances | Commission | Others |
|------------------------|--------------|--------|----------------------------|------------|---------|
| Shri R. P. Soni | - | 286.22 | 7.24 | 192.67 | 6.18 |
| Dr. S.N. Modani | - | 153.01 | 15.44 | 94.15 | 8.82 |
| Shri V.K. Sodani | - | 93.75 | 18.90 | 73.70 | 1674.61 |
| Shri Anurag Soni | - | 65.58 | - | 192.67 | 6.21 |
| Shri Achintya Karati | 7.28 | - | - | - | - |
| Shri T.K. Mukhopadhyay | 8.53 | - | - | - | - |
| Shri Yaduvendra Mathur | 5.15 | - | - | - | - |
| Smt. Jyoti Sharma | 3.90 | - | - | - | - |
| Shri Sudhir Maheshwari | 1.10 | - | - | - | - |

Notes:

- (a) The Company has introduced Employee Stock Options for its employees and Directors of the Company, its Group Company including its Subsidiary Company or its Associate Company in India or outside India.
- (b) Notice period for termination of appointment of Managing Director and other Whole-time Directors is three months on either side.
- (c) No severance fees are payable on termination of appointment.
- (d) Shri Sudhir Maheshwari appointed as Directors in category of Non-executive Independent w.e.f. 01st August, 2022.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Act read with the rules made thereunder, SEBI (LODR) Regulations and Guidance Note on Board Evaluation issued by SEBI vide its Circular dated January 05, 2017 the Board of Directors ("Board") has carried out an annual evaluation of its own performance and that of its Committees and individual Directors. The performance of the Board and individual Directors was evaluated by the Board seeking inputs from all the Directors.

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

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

(C) STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Committee consists of three directors and Shri Achintya Karati, Independent Director is the Chairman of the

Corporate Governance Report (Contd.)

Committee and thus the constitution of the Committee is in compliance with section 178 of the Act read with Listing Regulations.

Meeting

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

Date of meetings - four meetings of the Stakeholders' Relationship Committee of Board of the Company were held during the financial year 2022-2023 on May 30, 2022, 01st August, 2022, November 10, 2022 and on February 13, 2023.

Composition and Attendance

The Composition of Stakeholders' Relationship Committee as on 31st March, 2023 was as follows:

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

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

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

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

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

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

During the year, 4 (Four) complaints were received from investors directly/RTA or through SEBI or Stock Exchange(s) and were dealt with satisfactorily. All complaints received from the investors were general in nature, which were resolved to the satisfaction of the shareholders within the stipulated time.

(D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

Meeting

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

Date of meetings – Three meetings of the Corporate Social Responsibility Committee of Board of the Company were held during the financial year 2022-2023 on May 30, 2022, 01st August, 2022 and on November 10, 2022.

COMPOSITION AND ATTENDANCE

The composition and Attendance of Corporate Social Responsibility Committee as on 31st March, 2023 was as follows:

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

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

(E) RISK MANAGEMENT COMMITTEE

During the year, the Risk Management Committee (RMC) was constituted pursuant to Regulation 21 of the SEBI (LODR) Regulations, 2015 by the Board of Directors in their meeting held on May 30, 2022. The terms of reference of the Risk Management Committee inter-alia include the following:

- To formulate a detailed risk management policy which shall include:

Corporate Governance Report (Contd.)

- (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
 - (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
 - (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
 - (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
 - (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

GENERAL BODY MEETINGS
General Meeting

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

| General Body Meeting | Day, Date | Time | Venue | Detail of Special Resolution passed |
|----------------------|------------------------------|------------|---|---|
| 34th AGM-2020 | Saturday, November 28, 2020 | 04.00 P.M. | Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) | <ul style="list-style-type: none"> • Issue of 40,00,000 Equity Shares to promoters of the Company on preferential basis. |
| 35th AGM-2021 | Thursday, September 23, 2021 | 04.00 P.M. | Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) | <ul style="list-style-type: none"> • Re-appointment of Shri R.P. Soni as Whole time Director, designated as Chairman of the Company for a period of 3 years effective from September 01, 2021. • Appointment of Shri Anurag Soni as Whole-time Director of the Company. |

Meeting

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

Date of meetings – Two meetings of the Risk Management Committee of Board of the Company were held during the financial year 2022-2023 on November 10, 2022 and February 13, 2023.

Composition and Attendance

The composition and Attendance of Risk Management Committee as on 31st March, 2023 was as follows:

| Name of Director | Position | Category | No. of Meeting Attended |
|------------------------|----------|-------------------------------------|-------------------------|
| Shri Anurag Soni | Chairman | Director & CFO | Two |
| Shri V.K. Sodani | Member | Executive Director | Two |
| Shri Yaduvendra Mathur | Member | Non-Executive Independent Director | Two |
| Shri Pranal Modani | Member | Chief Business Strategist | Two |
| Shri Praveen Chandalia | Member | Vice President (Accounts & Finance) | Two |

The Company formulated Risk Management Committee Policy, which is uploaded on the website of the Company at the weblink: <https://sangamgroup.com/financials/Policies/Risk%20Management%20Policy.pdf>

Corporate Governance Report (Contd.)

| General Body Meeting | Day, Date | Time | Venue | Detail of Special Resolution passed |
|----------------------|--|------------|---|---|
| 36th AGM-2022 | Thursday, 29 th September, 2022 | 04.00 P.M. | Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) | <ul style="list-style-type: none"> • Re-appointment of Dr. S.N. Modani (DIN: 00401498) as a Managing Director of the Company. • Re-appointment of Mr. V.K. Sodani (DIN: 00403740) as Executive Director of the Company. • To Approve Revision in the Remuneration of Mr. Pranal Modani, Chief Business Strategist of the Company. • Appointment of Mr. Sudhir Maheshwari (DIN: 02376365) as an Independent Director of the Company. |

(b) Whether any special resolution passed last year through postal ballot – details of voting pattern - No special resolutions were passed during the Financial Year 2022-23 through postal ballot.

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

(d) The Company during the financial year conducted an Extraordinary General Meeting on 16th July, 2022 through Video Conferencing (VC) / Other Audio - Visual Means (OAVM) and passed a special resolution for:-

- I. Approval for Sangam (India) Limited Employees Stock Option Scheme-2022.
- II. Approval for grant of stock options to the employees of group company including subsidiary company or its associate company, in India or outside India of the Company under Sangam (India) Limited employees stock option scheme– 2022.
- III. Approval for the acquisition of equity shares by way of secondary acquisition under Sangam (India) Limited employees stock option scheme-2022.
- IV. Approval for provision of money by the Company for purchase of its own shares by the trust / trustees for the benefit of employees under Sangam (India) Limited employees stock option scheme – 2022.

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

(f) Procedure for postal ballot - Does not arise

MEANS OF COMMUNICATION

- I. Annual Reports, notice of the meetings and other communications to the Members are sent through e-mail, post or courier. However, this year as per the directions given in the circulars issued by Ministry

Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI") the companies are allowed to send Annual Report by e-mail to all the Members of the Company. Therefore, the Annual Report for 2022-23 and Notice of 37th AGM of the Company is being sent to the Members at their registered e-mail addresses in accordance with MCA and SEBI Circulars.

- II. The Unaudited quarterly/half yearly results are announced within forty-five days of the close of the quarter.
- III. The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper. In addition, the same are published in local newspaper, within forty-eight hours of approval thereof.
- IV. The Company's financial result is displayed on the Company's website- www.sangamgroup.com.
- V. Management Discussion and Analyzis forms part of the Annual Report, which is sent to the shareholders of the Company.
- VI. A separate dedicated section under "Investors Relation", on the Company's website gives information on unclaimed dividends, shareholding pattern, quarterly/ half yearly results and other relevant information of interest to the investors / public.

BSE LISTING CENTRE

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

NSE Electronic Application Processing System (NEAPS)

The Company also files information through NEAPS—a web



Corporate Governance Report (Contd.)

based application and NSE-frontend navigation provided by NSE which facilitates online filing of Corporate Governance Report, the Shareholding Pattern by companies, Results and other disclosures.

Extensive Business Reporting Language (XBRL)

XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who have to create, transmit, use or analyze such information which aids better analysis and decision making. Ministry of Corporate Affairs (MCA) vide its circular No. 37/2011 dated June 07, 2011, had mandated certain companies to file their Annual Accounts vide this mode. The Company has filed its Annual Accounts on MCA through XBRL.

Ministry of Corporate Affairs (MCA)

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

SEBI Complaints Redress System (SCORES)

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

Annual Report

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

The Annual Reports is also available in the Investor Relations section on the Company's website www.sangamgroup.com.

GENERAL SHAREHOLDER INFORMATION

| | | |
|---|--|--|
| A | 37th Annual General Meeting | |
| | - Date and Time | September 22, 2023 at 04.00 P.M. |
| | - Venue | "Sangam House", Atun, Chittorgarh Road, Bhilwara-311001 (Raj.) |
| B | Financial Calendar | 2022-23 |
| C | Book closure date | Saturday, September 16, 2023 to Friday, September 22, 2023 (both days inclusive) |
| D | Dividend payment dates | Within 30 days from date of AGM |
| E | The listing fee has been paid up to date, to all the Stock Exchanges. | Yes |
| | Bombay Stock Exchange Ltd. (BSE) | BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 |
| | i. Scrip code | 514234 |
| | ii. Trading symbol | SANGAMIND |
| | National Stock Exchange of India Ltd. (NSE) | National Stock Exchange of India Ltd., Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 |
| | Trading symbol | SANGAMIND |
| F | Demat ISIN Numbers in NSDL & CDSL | INE495C01010 |

Credit Rating

Credit Ratings: Credit rating agency "India Ratings & Research" reviewed various credit facilities of the Company during the financial year ended 31st March, 2023 as per the following details:

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

Dividend

The Board of Directors at their meeting held on April 28, 2023, have recommended a Dividend of ₹ 2/- per share for the year ended 31st March, 2023, subject to shareholders' approval at the forthcoming 37th Annual General Meeting. If approved, the dividend will be paid to the shareholders within 30 days from the date of Annual General Meeting.

Corporate Governance Report (Contd.)

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

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Dividend Distribution Policy is displayed on the website of the Company at <https://sangamgroup.com/financials/Policies/distributon.pdf>

Unclaimed/Unpaid Dividend

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

Stock Market Data

The reported high and low prices of equity shares of Sangam (India) Limited traded during Financial Year 2022-2023 on BSE Limited and NSE are set out in the following table:

| Month | BSE Limited (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, 2022 | 422.00 | 255.00 | 60,845.10 | 56,009.07 | 423.00 | 262.45 | 18,114.65 | 16,824.70 |
| May, 2022 | 399.70 | 237.00 | 57,184.21 | 52,632.48 | 406.50 | 237.00 | 17,132.85 | 15,735.75 |
| June, 2022 | 311.95 | 255.00 | 56,432.65 | 50,921.22 | 312.00 | 251.85 | 16,793.85 | 15,183.40 |
| July, 2022 | 293.00 | 261.65 | 57,619.27 | 52,094.25 | 287.05 | 262.05 | 17,172.80 | 15,511.05 |
| August, 2022 | 359.95 | 252.10 | 60,411.20 | 57,367.47 | 358.40 | 252.45 | 17,992.20 | 17,154.80 |
| September, 2022 | 337.55 | 272.00 | 60,676.12 | 56,147.23 | 338.80 | 275.00 | 18,096.15 | 16,747.70 |
| October, 2022 | 298.80 | 254.30 | 60,786.70 | 56,683.40 | 297.70 | 253.10 | 18,022.80 | 16,855.55 |
| November, 2022 | 298.65 | 245.05 | 63,303.01 | 60,425.47 | 299.20 | 256.60 | 18,816.05 | 17,959.20 |
| December, 2022 | 273.95 | 215.00 | 63,583.07 | 59,754.10 | 269.75 | 225.55 | 18,887.60 | 17,774.25 |
| January, 2023 | 249.90 | 185.00 | 61,343.96 | 58,699.20 | 248.25 | 204.05 | 18,251.95 | 17,405.55 |
| February, 2023 | 224.90 | 194.20 | 61,682.25 | 58,795.97 | 224.00 | 194.65 | 18,134.75 | 17,255.20 |
| March, 2023 | 254.00 | 210.20 | 60,498.48 | 57,084.91 | 249.70 | 212.00 | 17,799.95 | 16,828.35 |

Share Transfer System

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

(i) Distribution of Shareholding as on 31st March, 2023

| Category Range – Shares | Shareholders | | Shareholding | |
|-------------------------|---------------|---------------|-------------------|---------------|
| | Number | Percentage | Number of Shares | Percentage |
| Up to 5000 | 10,175 | 91.1738 | 9,74,685 | 2.1637 |
| 5001-10000 | 438 | 3.9247 | 3,51,759 | 0.7809 |
| 10001-20000 | 198 | 1.7742 | 3,03,853 | 0.6745 |
| 20001-30000 | 99 | 0.8871 | 2,57,130 | 0.5708 |
| 30001-40000 | 45 | 0.4032 | 1,60,343 | 0.3559 |
| 40001-50000 | 35 | 0.3136 | 1,66,660 | 0.3700 |
| 50001-1,00,000 | 75 | 0.6720 | 5,37,645 | 1.1935 |
| 1,00,001 and above | 95 | 0.8513 | 42,294,484 | 93.8906 |
| TOTAL | 11,160 | 100.00 | 45,046,559 | 100.00 |



Corporate Governance Report (Contd.)

(ii) Shareholding Pattern as on 31st March, 2023

| Category | No. of Shares held | % of Shareholding |
|---|--------------------|-------------------|
| Promoters holding | | |
| (a) Individual Promoters | 93,64,433 | 20.79% |
| (b) Persons acting in Concerts | 22,296,005 | 49.50% |
| Others | | |
| Mutual Funds and UTI | - | - |
| Banks, Financial Institution, Insurance Companies, NBFCs registered with RBI (Central/State Govt. Institutions/ Non Govt. Institutions) | 0 | 0.00% |
| Foreign Portfolio Investors | 1,65,718 | 0.37% |
| Private Corporate Bodies | 74,49,855 | 16.54% |
| Indian Public | 40,47,296 | 8.98% |
| NRI's / OCBs | 12,26,459 | 2.72% |
| Clearing Members | 15,760 | 0.03% |
| Investor Education and Protection Fund (IEPF) | 1,05,051 | 0.23% |
| HUF | 3,40,505 | 0.76% |
| Trusts | 50 | 0.00% |
| Non Promoter - Non Public holding | | |
| Shares held by Employee Trust | 35,427 | 0.08% |
| TOTAL | 45,046,559 | 100.00% |

Dematerialization of shares and liquidity

The process of conversion of shares from physical form to electronic form is known as dematerialization. For dematerializing the shares, the shareholders should open a demat account with a Depository Participant (DP). The shareholder is required to fill in a Demat Request Form and submit the same along with the original share certificates to his DP. The DP will allocate a demat request number and shall forward the request physically and electronically through NSDL/CDSL to Registrar & Transfer Agent. On receipt of the demat request both physically and electronically and after verification, the shares are dematerialized and an electronic credit of the shares is given in the account of the shareholder. Shares of the Company are traded in electronic form. About 99.79% of the shares holdings have already been dematerialized. Shares of the Company are actively traded in BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) and have reasonably good liquidity.

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

The Company has not issued GDR/ADR. The Board of Director of the Company has allotted 57,00,000 warrants convertible into equity shares of ₹ 10/- each @ one equity share for every warrant at a price of ₹ 180/- including premium of ₹ 170/- per share to Investor, Promoters and

Promoter(s) group of the Company on preferential basis on December 13, 2021 out which 5,00,000 share warrants has been converted into 5,00,000 equity shares of ₹ 10/- each on 28th September, 2022 in public category.

Commodity Risk or Foreign Exchange Risk and Hedging activities

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

Office and Works**Registered Office**

Atun, Chittorgarh Road, Bhilwara - 311 001 (Raj.) Ph.: +91 1482 245400-06

E-mail: secretarial@sangamgroup.com

website: www.sangamgroup.com

Plant Location**Spinning**

Unit - I : Vill. BiliyaKalan, Chittorgarh Road, Bhilwara - 311 001 (Raj.)

Unit - II : 91 K.M. Stone, N.H.-79, Vill. Sareri, Dist. Bhilwara - 311 024 (Raj.)

Unit - III : Village Soniyana, Tehsil Gangrar, Distt. Chittorgarh 312901 (Raj).

Corporate Governance Report (Contd.)

Weaving, Processing and Seamless Garments

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

Denim

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

Registrar and Share Transfer Agent

Bigshare Services Private Limited,

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East) Mumbai 400059

Fax No.: 022 62638299, Tel. No.: 022 62638200

E-mail: investor@bigshareonline.com

Address for Correspondence

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

Company Secretary

Sangam (India) Limited,

Atun, Chittorgarh Road, Bhilwara - 311 001 (Raj.) Ph.: +91 1482-245400-6, Fax: +91 1482 245450

email: secretarial@sangamgroup.com

Website: www.sangamgroup.com

OTHER DISCLOSURE

Related Party Transaction:

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

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

Statutory Compliance, Penalties and Strictures:

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

Vigil Policy (Whistle Blower Policy):

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

Disclosure of Accounting Treatment:

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

Details of Compliance with Mandatory Requirements:

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

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

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

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

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

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

The details of number of complaints filed and disposed of during the year and pending as on 31st March, 2023 is given in the Directors' report.



Corporate Governance Report (Contd.)

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

Pursuant to sub-regulation (3) of Regulation 26 read with Para D of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members and the Senior Management personnel of the Company have affirmed

compliance to their respective Code of Conduct, as applicable to them for the Financial Year ended 31st March, 2023.

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

(Dr. S. N. Modani)
Managing Director & CEO
DIN: 00401498
Place: Bhilwara
Date: April 28, 2023

Certificate of Non-Disqualification of Directors

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

To,
The Members,
SANGAM (INDIA) LIMITED
Atun, Chittorgarh Road,
Bhilwara-311001 (Rajasthan)

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| S. No. | Name of Director | DIN | Date of appointment in Company |
|--------|-----------------------------|----------|--------------------------------|
| 1 | Mr Ram Pal Soni | 00401439 | December 31, 1984 |
| 2 | Dr. S N Modani | 00401498 | June 20, 1989 |
| 3 | Mr V K Sodani | 00403740 | December 21, 2006 |
| 4 | Mr Anurag Soni | 03407094 | January 21, 2021 |
| 5 | Mr Achintya Karati | 00024412 | December 26, 2004 |
| 6 | Mr Tapan Kumar Mukhopadhyay | 00239251 | February 07, 2011 |
| 7 | Smt. Jyoti Sharma | 08741591 | June 24, 2020 |
| 8 | Mr Yaduvendra Mathur | 00307650 | January 21, 2021 |
| 9 | Mr Sudhir Maheshwari | 02376365 | August 01, 2022 |

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

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

For B K Sharma and Associates

Company Secretaries
Unique Code: S2013RJ233500

(Brij Kishore Sharma)

Proprietor
Membership No.: FCS - 6206
CP No.: 12636
Peer Review Certificate No.: 1172/2021
UDIN: F006206E000232795

Place: Jaipur
Date: April 28, 2023



Certificate on Corporate Governance

To

The Members,

Sangam (India) Limited

We have examined the compliance of Corporate Governance by Sangam (India) Limited ("the Company") for the year ended on March 31, 2023 as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

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

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

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2023.

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

For B K Sharma and Associates

Company Secretaries

Unique Code: S2013RJ233500

(Brij Kishore Sharma)

Proprietor

Membership No. : FCS - 6206

CP No.: 12636

Peer Review Certificate No.: 1172/2021

UDIN: F006206E000232806

Place: Jaipur

Date: April 28, 2023

CEO / CFO Certification

(Pursuant to regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 for the Financial Year ended March 31, 2023

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

- a. We have reviewed financial statements and Cash Flow Statement for the year ended March 31, 2023 and that to the best of our knowledge and belief, we state that:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, no transactions are entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We are responsible for establishing and maintaining internal controls over financial reporting and that we have evaluated the effectiveness of internal control systems pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
 - (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Sangam (India) Limited

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

(Anurag Soni)
Director & CFO
DIN: 03407094

Place: Bhilwara
Date: 28th April, 2023



Business Responsibility & Sustainability Reporting

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

| | |
|--|---|
| 1. Corporate Identity Number (CIN) of the Listed Entity | L17118RJ1984PLC003173 |
| 2. Name of the Listed Entity | SANGAM (INDIA) LIMITED |
| 3. Year of incorporation | 1984 |
| 4. Registered office address | Atun, Chittorgarh Road, Bhilwara 311001 Rajasthan |
| 5. Corporate address | Atun, Chittorgarh Road, Bhilwara 311001 Rajasthan |
| 6. E-mail | secretarial@sangamgroup.com |
| 7. Telephone | 01482-245400-406 |
| 8. Website | www.sangamgroup.com |
| 9. Financial year for which reporting is being done | 2022-2023 |
| 10. Name of the Stock Exchange(s) where shares are listed | Bombay Stock Exchange Limited, National Stock Exchange of India Limited |
| 11. Paid-up Capital | 45,04,65,590 |
| 12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Mr. Praveen Chandalia, Vice President (Finance & Accounts), Cont No. 01482 245400-406, email id praveen.c@sangamgroup.com |
| 13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | Standalone basis |

II. Products/services

14. Details of business activities (accounting for 90% of the turnover)

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|--------|------------------------------|---|-----------------------------|
| 1. | Textile | Spinning, Weaving and Finishing of Textile Products | 100% |

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

| S. No. | Product/Service | NIC Code | % of total Turnover contributed |
|--------|------------------|----------|---------------------------------|
| 1. | Cotton Yarn | 13111 | 14% |
| 2. | PV Yarn | 13114 | 35% |
| 3. | PV Fabric | 13124 | 23% |
| 4. | Denim Fabric | 13131 | 23% |
| 5. | Knitted Fabric | 13911 | 2% |
| 6. | Seamless Garment | 14101 | 3% |

Business Responsibility & Sustainability Reporting (Contd.)

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

| Location | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National | 5 | 4 | 9 |
| International | 0 | 0 | 0 |

17. Markets served by the entity:

a. Number of locations

| Locations | Number |
|-----------------------------------|--------|
| National (No. of States)* | 28 |
| International (No. of Countries)* | 58 |

*Above includes domestic sales and export through dealers and distributors.

| | |
|---|--|
| b. What is the contribution of exports as a percentage of the total turnover of the entity? | 28% |
| c. A brief on types of customers | <p>At Sangam India, we pride ourselves on serving a diverse range of customers from various sectors and industries. Our clientele includes:</p> <ul style="list-style-type: none"> • Government Bodies, • Limited Companies • Private Limited Companies • Micro, Small and Medium Enterprises (MSMEs) • Traders • Partnership Firms • Proprietors <p>Our dedication to understanding the unique needs of each of these customer types enables us to provide superior value, leading to enhanced customer satisfaction and loyalty.</p> |

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

| S. No. | Particulars | Total (A) | Male | | Female | |
|------------------|--------------------------|-----------|---------|-----------|---------|-----------|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| EMPLOYEES | | | | | | |
| 1. | Permanent (D) | 1583 | 1537 | 97.09% | 46 | 2.91% |
| 2. | Other than Permanent (E) | 0 | 0 | 0 | 0 | 0 |
| 3. | Total employees (D + E) | 1583 | 1537 | 97.09% | 46 | 2.91% |
| WORKERS | | | | | | |
| 4. | Permanent (F) | 8,872 | 8,004 | 90.22% | 868 | 9.78% |
| 5. | Other than Permanent (G) | 1,087 | 924 | 85.00% | 163 | 15.00% |
| 6. | Total workers (F + G) | 9,959 | 8,928 | 89.65% | 1031 | 10.35% |



Business Responsibility & Sustainability Reporting (Contd.)

b. Differently abled Employees and workers:

| S. No | Particulars | Total (A) | Male | | Female | |
|------------------------------------|---|-----------|---------|-----------|---------|-----------|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| DIFFERENTLY ABLED EMPLOYEES | | | | | | |
| 1. | Permanent (D) | 0 | 0 | 0% | 0 | 0% |
| 2. | Other than Permanent (E) | 0 | 0 | 0% | 0 | 0% |
| 3. | Total differently abled employees (D + E) | 0 | 0 | 0% | 0 | 0% |
| DIFFERENTLY ABLED WORKERS | | | | | | |
| 4. | Permanent (F) | 1 | 1 | 100% | 0 | 0% |
| 5. | Other than permanent (G) | 0 | 0 | 0% | 0 | 0% |
| 6. | Total differently abled workers (F + G) | 1 | 1 | 100% | 0 | 0% |

19. Participation/Inclusion/Representation of women

| | Total (A) | No. and percentage of Females | |
|--------------------------|-----------|-------------------------------|-----------|
| | | No. (B) | % (B / A) |
| Board of Directors | 9 | 1 | 11.11% |
| Key Management Personnel | 3 | 0 | 0 |

**20. Turnover rate for permanent employees and workers
(Disclose trends for the past 3 years)**

| | FY 2022-23 (Turnover rate in current FY) | | | FY 2021-22 (Turnover rate in previous FY) | | | FY (Turnover rate in the year prior to the previous FY) | | |
|---------------------|---|--------|--------|--|--------|--------|--|--------|--------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 15.91% | 41.98% | 16.59% | 15.71% | 22.95% | 15.86% | 19.01% | 31.11% | 19.20% |
| Permanent Workers | 57.69% | 47.28% | 56.69% | 35.90% | 35.04% | 35.83% | 41.13% | 36.11% | 40.73% |

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

| S. No. | Name of the holding / subsidiary/ associate companies / joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|--------|--|--|-----------------------------------|--|
| 1. | SANGAM VENTURES LIMITED | WHOLLY OWNED SUBSIDIARY COMPANY | 100 | No |

VI. CSR Details

| | |
|---|----------------------|
| 22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) | Yes |
| (ii) Turnover (in ₹) | 2,73,277.00 in Lakhs |
| (iii) Net worth (in ₹) | 88,740.00 in Lakhs |

Business Responsibility & Sustainability Reporting (Contd.)

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) | 2022-23 Current Financial Year | | | 2021-22 Previous Financial Year | | |
|---|--|--|--|---------|--|--|---------|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | Yes | 0 | 0 | - | 0 | 0 | - |
| Investors (other than shareholders) | Yes | 0 | 0 | - | 0 | 0 | - |
| Shareholders | Yes | 4 | 0 | - | 13 | 0 | - |
| Employees and workers | Yes | 121 | 0 | - | 125 | 0 | - |
| Customers | Yes | 15 | 0 | - | 12 | 0 | - |
| Value Chain Partners | Yes | 0 | 0 | - | 0 | 0 | - |
| Other (please specify) | - | - | - | - | - | - | - |

* Web link for grievance redressal mechanism - <https://sangamgroup.com/investors-handbook/>

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---------------------------|--|--|--|--|
| 1. | Circular Economy | Opportunity | The Circular Economy model of production and consumption promotes the reusing, refurbishing, and recycling of existing materials and products. The transition to a circular economy will affect and reduce material usage. A shift in regulations and demand, combined with new technology, has the potential to reduce costs. | | Positive |



Business Responsibility & Sustainability Reporting (Contd.)

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|--|--|--|---|--|
| 2. | Sustainable Sourcing and Supply chain Management | Opportunity | <p>Companies that source materials sustainably and promotes the reusing, refurbishing and recycling of existing material are often viewed as more responsible company. It can enhance their brand reputation and foster trust among consumers, investors, and other stakeholders. This can increase brand loyalty and potentially lead to higher sales.</p> <p>Furthermore, sustainability in supply chain management enhances brand reputation and customer loyalty. It can also attract eco-conscious investors, creating financial opportunities. Hence, sustainable sourcing and supply chain management provide a strategic advantage for textile companies navigating a future shaped by sustainability.</p> | | Positive |
| 3. | Water and Waste Management | Risk | <p>Water is a critical input for the textile company. Inefficient water use can lead to scarcity, increasing operational costs and affecting production. Similarly, waste is generated as part of a company's operations, maintenance of machinery and office administrative work. Improper waste handling may contribute to air pollution, climate change, and various direct and indirect impacts on the ecosystem.</p> | <p>Our company has taken an effective approach to mitigate water and waste management risk. We have implemented CTP and ETP plants at all our facilities to regulate water waste and minimize pollution. These practices ensure we maintain our status as a Zero Liquid Discharge company, as we continuously aim to recycle and treat all wastewater. We prioritize responsible waste management to address environmental and human risks. Our generated hazardous waste are managed properly with the help of authorised waste handlers. Similarly, Non-hazardous waste undergoes various recycling. For example, boiler ash is sent to brick manufacturers for reuse, while dry vegetation and a portion of canteen waste are composted onsite to minimize our environmental impact.</p> | Negative |

Business Responsibility & Sustainability Reporting (Contd.)

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|----------------------------------|--|--|--|--|
| 4. | Energy and Emission Management | Risk | <p>In the textile industry, energy and emission management is a significant risk. High energy consumption, predominantly from fossil fuels, leads to substantial greenhouse gas (GHG) emissions. Stricter environmental regulations, increased energy costs, potential carbon taxes, and public pressure for sustainability are escalating the risk. Inefficient energy use can escalate operational costs. An unmanaged energy and emission footprint can also impact market access, as customers and stakeholders increasingly demand sustainable supply chains. Therefore, it's critical for textile companies to implement robust energy and emission management strategies, such as energy-efficient technologies and renewable energy sources, to mitigate these risks, reduce operational costs, and improve their environmental footprint.</p> | <p>Our company is actively undertaking several initiatives to minimize emissions and reduce energy consumption from non-renewable sources. To counter GHG emissions, we've implemented Rooftop Solar Power Plants, Biomass Co-generation Thermal Power Plants, and Wind Energy Turbines. These interventions allow us to leverage renewable energy, significantly reducing our carbon footprint. Furthermore, we have introduced energy conservation measures, including the conversion of Condensing Turbines, initiatives for Compressed Air Leakage Reduction, WCS Duct Modification, and Auto Corner Machine Speed Optimization. Together, these strategies aim to optimize energy use, mitigate environmental risks, and promote sustainability, aligning with our commitment to responsible business practices.</p> | Negative |
| 5. | Human Rights & Labour Management | Risk | <p>Companies focussing on respecting human rights demonstrate their commitment to building sustainable and mutually beneficial relationships with those who are influenced or impacted by their operations, such as customers, communities, workers, and investors. This includes demonstrating that they care about the people whose lives they engage with. Similarly, Businesses requiring workers on site must ensure effective labour management practices. This includes the complexity of their workforce (size, labour intensity, and operational locations), the management-labor interaction, the effectiveness of worker rights, and their attempts to engage their workers.</p> | <p>Our company prioritizes human and labor rights, establishing policies and grievance mechanisms to safeguard these principles. We encourage our employees to raise concerns, fostering a culture of transparency and open communication. Through regular internal and external audits at all our facilities, we continuously assess and adapt to uphold human and labor rights. Furthermore, we commit to annual Sedex-SMETA-4 Pillar Audits, scrutinizing labor standards, health and safety, environmental impact, and business ethics. This approach guarantees adherence to global standards, mitigates risks, and promotes a safe, fair working environment. Through these comprehensive measures, we aim to minimize human rights and labor management risks, demonstrating our unwavering respect for these values.</p> | Negative |



Business Responsibility & Sustainability Reporting (Contd.)

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|--|--|---|---|--|
| 6. | Employee training, development, wellbeing & satisfaction | Opportunity | Investing in employee training, development, wellbeing, and satisfaction presents a great opportunity for a textile company. Enhanced skill sets can boost productivity and efficiency, driving superior results and competitiveness. Fostering employee wellbeing reduces absenteeism and fosters a positive work environment, leading to improved job performance. Higher job satisfaction can result in increased loyalty and reduced turnover, saving recruitment and training costs in the long run. | | Positive |
| 7. | Impact on community | Opportunity | When businesses invest in the development of local communities, they can help to create a more stable, prosperous, and sustainable environment in which to operate. This, in turn, can benefit the business by creating a more supportive local economy and customer base. | | Positive |
| 8. | Customer Satisfaction | Risk | Customer satisfaction is a key factor for the success of business. Focusing on customer satisfaction can help in establishing a positive brand reputation, which differentiates the business apart from its competitors and attract more consumers. Overall, focusing on customer satisfaction can help the textile industry improve customer loyalty and the brand value of the company. | To mitigate customer satisfaction risk, we implement an inclusive, responsive system. We have shared our contact details with customers to facilitate easy communication. When a complaint arises, it's logged into our system, assigned to a specialized team member and thoroughly investigated. We strive to resolve issues promptly, and maintain transparency by updating the customer about progress. Furthermore, we leverage these complaints to identify common problem areas, allowing us to improve our products and services. | Negative |

Business Responsibility & Sustainability Reporting (Contd.)

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|------------------------------------|--|---|--|--|
| 9. | Product Design and Innovation | Opportunity | Product design and innovation can assist the textile business to stay competitive and relevant in an ever-changing market. By embracing new technologies and materials, textile manufacturers can tap advantage of new market opportunities and boost their efficiency and productivity. Similarly, Innovation in textile materials and manufacturing processes can help reduce the industry's impact on the environment. | | Positive |
| 10. | Ethics & Business Conduct | Risk | Textile companies face significant ethical and business conduct risks, including fraud, executive misconduct, corrupt practices, money laundering, and anti-trust violations. These risks threaten their reputation, financial stability, and overall sustainability. Maintaining high ethical standards helps minimize these risks. To manage these, it's essential to implement strict ethical guidelines, comprehensive monitoring systems, and ongoing employee training. | To mitigate ethics and business conduct risk, we have established a robust ethics program with a clear code of conduct. These are effectively communicated and integrated into all aspects of the business. Regular training and education programs are conducted to promote awareness. An anonymous reporting mechanism is crucial to encourage whistleblowing. | Negative |
| 11. | Compliance with Laws & Regulations | Risk | Compliance with laws and regulations is a significant risk for textile companies. This includes a variety of local and international regulations on labor rights, environmental impacts, health and safety standards, and quality standards. Unable to comply this laws can result in financial penalties, reputational damage, and disruption of operations. | To mitigate compliance risk, we maintain a robust understanding of relevant laws and regulations, conduct regular audits, and enforce stringent internal policies. Also, invest in ongoing training and education for their employees and establish a culture of compliance. | Negative |



Business Responsibility & Sustainability Reporting (Contd.)

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---------------------------|--|--|--|--|
| 12. | Corporate Governance | Risk | Businesses are assessed based on their performance across all key governance issues, which include ownership & control, Board pay, accounting, business ethics, and tax transparency. This topic examines the effect that a company's corporate governance and business ethics practices have on its shareholders and other investors. | The cornerstone of the Company is rooted in principles such as transparency, integrity, professionalism, and accountability. The Company ceaselessly strives to enhance these facets, adopting cutting-edge methods to utilize resources effectively and transform opportunities into successes. This is accomplished through appropriate empowerment and inspiration. | Negative |

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | |
|--|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Policy and management processes | | | | | | | | | | |
| 1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes |
| Disclosure Questions | | | | | | | | | | |
| c. Web Link of the Policies, if available | https://sangamgroup.com/investors-handbook/ | | | | | | | | | |
| 2. Whether the entity has translated the policy into procedures. (Yes / No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes |

Business Responsibility & Sustainability Reporting (Contd.)

| | | | | | | | | | |
|---|----|--|---------------------|----|------------------------|---|----|----|----|
| 4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | No | Yes ISO 9001:2015 OEKO-TEX Global Recycled certification Global Organic Textile Standard | Yes Iso 45001 | No | Yes SA 8000:2014 | Yes ISO 14001:2005 OEKO-TEX Global Recycled certification Global Organic Textile Standard | No | No | No |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any. | No | No | No | No | No | No | No | No | No |
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | No | No | No | No | No | No | No | No | No |

Governance, leadership and oversight**7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)**

As the director of a leading textile company, it is my privilege to present the business responsibility report, highlighting our commitment to Environmental, Social, and Governance (ESG). At our company, we recognize the importance of sustainable practices and strive to make a positive impact on the world around us.

We conducted a comprehensive materiality assessment to identify the key ESG challenges that we face. Our assessment revealed that water management, greenhouse gas (GHG) emissions, and energy management, circular economy are significant areas where we can make a difference. These challenges serve as our guiding principles for implementing sustainable initiatives throughout our operation.

Under our company's Corporate Social Responsibility (CSR) policy, we have identified several focus areas for engagement. We are dedicated to eradicating hunger, poverty, and malnutrition while promoting healthcare, including preventive measures. Ensuring environmental sustainability and ecological balance is another priority, alongside employment and livelihood-enhancing vocational skills and projects. We are committed to promoting education, especially among children, women, the elderly, and the differently abled. Gender equality and empowerment of women are crucial aspects we aim to support, along with contributing funds to technology incubators located within academic institutions and undertaking rural development projects.

To achieve our goals, we are continuously transforming our business culture. We believe in being accountable to the planet we live on and strengthening our symbiosis with the community. This mindset drives us to take concrete actions and implement sustainable practices.

We have implemented various initiatives to reduce GHG emissions, such as the installation of Rooftop Solar Power Plants, biomass Co-generation Thermal Power Plant, and Wind Energy Turbines. Additionally, we have undertaken energy conservation measures, including the conversion of Condensing Turbine, Compressed Air Leakage Reduction, WCS Duct Modification, and Auto Corner Machine Speed Optimization.

At our company, health and safety are of paramount importance. We hold ISO-45001:2018 certification, ensuring the highest standards in occupational health and safety. Furthermore, our Denim and Sareri units are SA 8000:2014 certified, and we undergo biannual external audits to monitor compliance. We also undergo annual Sedex-SMETA-4 Pillar Audits, which assess labor standards, health and safety, environment, and business ethics to ensure transparency and compliance. Additionally, we prioritize food safety and water treatment, with the canteen committee overseeing FSI-certified food quality and the worker committee addressing welfare concerns. We also maintain safe water supplies through our water treatment facilities.

Looking ahead, we have ambitious plans to further improve our sustainability performance. We aim to increase the use of recycled fiber, reducing plastic waste by utilizing it as a raw material. Additionally, we will focus on organic cotton to minimize greenhouse gas emissions during manufacturing processes.

In conclusion, our textile company remains dedicated to ESG-related challenges and making a positive impact. By aligning our business practices with environmental stewardship, social responsibility, and good governance, we strive to create a better and more sustainable future for all.

Mr. Anurag Soni,
Director & CFO



Business Responsibility & Sustainability Reporting (Contd.)

| | |
|---|--------------------------------|
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | Mr Anurag Soni, Director & CFO |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | No |

10. Details of Review of NGRBCs by the Company:

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) | | | | | | | | |
|--|--|-----|-----|-----|-----|-----|-----|-----|-----|--|-----|-----|-----|-----|-----|-----|-----|-----|
| | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| Performance against above policies and follow up action | Committee of the Board | | | | | | | | | Yearly | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | Committee of the Board | | | | | | | | | Yearly | | | | | | | | |

| | | | | | | | | | |
|--|-----|---|-----------------------------------|-----|-----------------------------------|---|-----|-----|-----|
| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency. | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| | No | Yes, LMS Certification Limited, Hohenstein Certification Limited, Global Recycled certification Global Organic Textile Standard | Yes, LMS Certification Limited | No | Yes, LMS Certification Limited | Yes, LMS Certification Limited, Hohenstein Certification Limited, Global Recycled certification Global Organic Textile Standard | No | No | No |

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

| Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| The entity does not consider the Principles material to its business (Yes/No) | - | - | - | - | - | - | Yes | - | - |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | - | - | - | - | - | - | - | - | - |
| It is planned to be done in the next financial year (Yes/ No) | | | | | | | | | |
| Any other reason (please specify) | | | | | | | | | |

Business Responsibility & Sustainability Reporting (Contd.)

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators**1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year.**

| Segment | Total number of training and awareness programmes held | Topics/ principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|-----------------------------------|--|--|--|
| Board of Directors | 4 | Business operations/performance, new business initiatives, regulatory, risk indicators/ mitigation plans, safety, ESG Matters, Compliances, and legal cases , Business ethics and values, Code of Conduct, Human Rights etc. | 100% |
| Key Managerial Personnel | 4 | In addition to above referred topics / principles, KMPs were also part of the Company sponsored training program covering topics such as Behavioural Training, Business ethics and values, Code of Conduct, Human Rights ESG Training etc. | 100 % |
| Employees other than BoD and KMPs | 209 | Fire Safety Training, EHS training, Waste Handling Training, Chemical Handling and storage, SA 8000 Awareness Training, etc. | 100% |
| Workers | 1050 | Fire Safety Training, EHS training, Waste Handling Training, Chemical Handling and storage, SA 8000 Awareness Training , etc. | 100% |

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format

Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on e entity's website):

Monetary

| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In ₹) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
|---------------|-----------------|---|---------------|-------------------|--|
| Penalty/ Fine | - | - | 0 | - | - |
| Settlement | - | - | 0 | - | - |
| Compounding | - | - | 0 | - | - |

Non-Monetary

| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) |
|--------------|-----------------|---|-------------------|--|
| Imprisonment | - | - | - | - |
| Punishment | - | - | - | - |

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|--------------|---|
| | NA |



Business Responsibility & Sustainability Reporting (Contd.)

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes,
Our organization strongly emphasizes maintaining ethical standards and upholding integrity in all our operations. As such, Anti-Corruption and Anti-Bribery are integral aspects of our Code of Conduct.
All directors, senior management, and personnel are expected to adhere strictly to these guidelines. It is explicitly prohibited for any member of our organization to directly or indirectly receive or offer any gifts, donations, remunerations, hospitality, illegal payments, or any other benefits that could potentially be construed as attempts to gain business favours. Web-Link- <https://sangamgroup.com/investors-handbook/>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

| | 2022-23 (Current Financial Year) | 2021-22 (Previous Financial Year) |
|-----------|-------------------------------------|--------------------------------------|
| Directors | 0 | 0 |
| KMPs | 0 | 0 |
| Employees | 0 | 0 |
| Workers | 0 | 0 |

6. Details of complaints with regard to conflict of interest:

| | 2022-23 (Current Financial Year) | | 2021-22 (Previous Financial Year) | |
|--|-------------------------------------|---------|--------------------------------------|---------|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | 0 | - | 0 | - |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | 0 | - | 0 | - |

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

NIL

Principle 2 Businesses Should Provide Goods and Services In A Manner That Is Sustainable And Safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

| | Current Financial Year | Previous Financial Year | Details of improvements in environmental and social impacts |
|-------|------------------------|-------------------------|--|
| R&D | 69.13% | 69.00% | Invested in development of various eco-design and environmental friendly products. |
| Capex | 0 | 0 | |

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) Yes, We have procedures in place for sustainable sourcing.

b. If yes, what percentage of inputs were sourced sustainably? 55%

Business Responsibility & Sustainability Reporting (Contd.)

| | |
|--|--|
| 3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste. | <p>a. Plastics - Our organization acknowledges its responsibility towards the environment and is fully committed to the principles of Extended Producer Responsibility (EPR) with regards to plastic waste management. We are proud to announce that we are officially registered under the EPR framework.</p> <p>Our commitment to this initiative involves ensuring the safe and efficient reclaiming, recycling, and management of plastic waste generated from our business operations. As part of our EPR we have effectively managed 1600 metric tons of plastic waste in the current year.</p> |
| 4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same. | <p>Yes,</p> <p>The waste collection plan is in line with the Extended Producer Responsibility (EPR) plan is submitted to Pollution Control Board.</p> <p>As part of our Extended Producer Responsibility (EPR) commitment, we have successfully managed 1600 metric tons of plastic waste in the current year. To achieve this, we have established a partnership with a dedicated waste management company that specializes in the collection and proper disposal of plastic waste. Through this collaboration, we continue to contribute significantly to environmental sustainability and responsible waste management.</p> |

PRINCIPLE 3 Businesses Should Respect And Promote The Well-Being Of All Employees, Including Those In Their Value Chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

| Category | % of employees covered by | | | | | | | | | | |
|---------------------------------------|---------------------------|------------------|-----------|--------------------|-----------|--------------------|-----------|--------------------|-----------|---------------------|-----------|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B / A) | Number © | % (C / A) | Number (D) | % (D / A) | Number (E) | % (E / A) | Number (F) | % (F / A) |
| Permanent employees | | | | | | | | | | | |
| Male | 1537 | 1537 | 100% | 1537 | 100% | 0 | 0% | 0 | 0% | 1537 | 100% |
| Female | 46 | 46 | 100% | 46 | 100% | 46 | 100% | 0 | 0% | 46 | 100% |
| Total | 1583 | 1583 | 100% | 1583 | 100% | 46 | 100% | 0 | 0% | 1583 | 100% |
| Other than Permanent employees | | | | | | | | | | | |
| Male | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Female | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Total | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |

b. Details of measures for the well-being of workers:

| Category | % of workers covered by | | | | | | | | | | |
|-------------------------------------|-------------------------|------------------|-----------|--------------------|-----------|--------------------|-----------|--------------------|-----------|---------------------|-----------|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B / A) | Number © | % (C / A) | Number (D) | % (D / A) | Number (E) | % (E / A) | Number (F) | % (F / A) |
| Permanent workers | | | | | | | | | | | |
| Male | 8,004 | 8004 | 100% | 8004 | 100% | 0 | 0% | 0 | 0% | 8004 | 100% |
| Female | 868 | 868 | 100% | 868 | 100% | 868 | 100% | 0 | 0% | 868 | 100% |
| Total | 8,872 | 8872 | 100% | 8872 | 100% | 868 | 100% | 0 | 0% | 8872 | 100% |
| Other than Permanent workers | | | | | | | | | | | |
| Male | 924 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 924 | 100% |
| Female | 163 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 163 | 100% |
| Total | 1,087 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 1087 | 100% |



Business Responsibility & Sustainability Reporting (Contd.)

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

| Benefits | FY 2022-23 Current Financial Year | | | FY 2021-22 Previous Financial Year | | |
|-------------------------|--|--|--|--|--|--|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100% | 100% | Yes | 100% | 100% | Yes |
| Gratuity | 100% | 100% | Yes | 100% | 100% | Yes |
| ESI* | 100% | 100% | Yes | 100% | 100% | Yes |
| Others – Please Specify | | | | | | |

*All the employees and workers eligible are covered under ESI.

3. Accessibility of workplaces

| | |
|---|---|
| <p>Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.</p> | <p>The premises / offices of the entity are not accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016.</p> <p>Sangam group promotes inclusiveness and equal opportunity for all in society. The company promotes the hiring of differently abled employees and place them in easily accessible working conditions.</p> |
| <p>4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.</p> | <p>Yes,</p> <p>Our organization strongly upholds and implements the principles of equal opportunity for all. We believe in fostering an inclusive and diverse working environment where every individual has an equal chance to succeed, regardless of their caste, color, religion, disability, gender, national origin, sex, age, or any other characteristic.</p> <p>Our commitment to fairness, respect, dignity, and equal opportunities guide our policies and practices. We strive to ensure that these values are reflected in every aspect of our operations, from recruitment and hiring to promotions, training, benefits, and terminations.</p> <p>We continually strive to create a safe, inclusive, and equitable work environment where every individual feels valued, respected, and empowered. Our commitment to this vision is unwavering and forms the foundation of our workplace culture.</p> <p>Web Link- https://sangamgroup.com/investors-handbook/</p> |

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent employees | | Permanent workers | |
|--------|---------------------|----------------|---------------------|----------------|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 0 | 0 | 0 | 0 |
| Female | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 |

06. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

| | |
|--|---|
| <p>Yes/No (If Yes, then give details of the mechanism in brief)</p> | <p>Yes, We have mechanism to receive and redress grievances for the employee and workers.</p> |
|--|---|

Business Responsibility & Sustainability Reporting (Contd.)

| | |
|---------------------------------------|---|
| Permanent Workers | <p>Yes, at Sangam India Limited, we take every concern raised by our employees seriously. We have established a robust three-tier grievance redressal mechanism to ensure that all complaints and issues are addressed promptly and effectively.</p> <p>If an employee has a grievance, they can report it to the following points of contact:</p> <ol style="list-style-type: none"> 1. Immediate or Next Supervisor/Head of Department (HOD) 2. Plant HR Head/Plant Head 3. Function Head/Business Head (FH/BH) <p>If the issue remains unresolved or the outcome is unsatisfactory, the employee can then proceed with the following grievance mechanism:</p> <p>Supervisor/Floor In-Charge -> Head Of Department -> Worker Representative -> Grievance Redressal Committee -> Managing Director</p> <p>We are committed to resolving or escalating all grievances within 7 days from the receipt of the grievance at any level of the three-tier system. This allows us to ensure that employee concerns are addressed in a timely and appropriate manner.</p> <p>Furthermore, our HR Department conducts a quarterly review of all grievances from the previous three months. The aim of this review is to identify common issues among employees and to create an action plan to address these concerns and prevent a recurrence.</p> |
| Other than Permanent Workers | |
| Permanent Employees | |
| Other than Permanent Employees | |

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

| Category | FY 2022-23 (Current Financial Year) | | | FY 2021-22 (Previous Financial Year) | | |
|---------------------------|--|--|-----------|--|---|-----------|
| | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B / A) | Total employees / workers in respective category (C) | No. of employees/ workers in respective category, who are part of association (s) or Union(D) | % (D / C) |
| Total Permanent Employees | 1583 | 0 | 0 | 1527 | 0 | 0 |
| - Male | 1537 | 0 | 0 | 1492 | 0 | 0 |
| - Female | 46 | 0 | 0 | 35 | 0 | 0 |
| Total Permanent Workers | 8872 | 0 | 0 | 8896 | 0 | 0 |
| - Male | 8004 | 0 | 0 | 8055 | 0 | 0 |
| - Female | 868 | 0 | 0 | 841 | 0 | 0 |



Business Responsibility & Sustainability Reporting (Contd.)

8. Details of training given to employees and workers:

| Category | FY 2022-23 Current Financial Year | | | | | FY 2021-22 Previous Financial Year | | | | |
|------------------|--------------------------------------|-------------------------------|-----------|----------------------|-----------|---------------------------------------|-------------------------------|-----------|----------------------|-----------|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No. (B) | % (B / A) | No. (C) | % (C / A) | | No. (E) | % (E / D) | No. (F) | % (F / D) |
| Employees | | | | | | | | | | |
| Male | 1537 | 1537 | 100% | 1537 | 100% | 1492 | 1492 | 100% | 1492 | 100% |
| Female | 46 | 46 | 100% | 46 | 100% | 35 | 35 | 100% | 35 | 100% |
| Total | 1583 | 1583 | 100% | 1583 | 100% | 1527 | 1527 | 100% | 1527 | 100% |
| Workers* | | | | | | | | | | |
| Male | 8004 | 8004 | 100% | 8004 | 100% | 8055 | 8055 | 100% | 8055 | 100% |
| Female | 868 | 868 | 100% | 868 | 100% | 841 | 841 | 100% | 841 | 100% |
| Total | 8872 | 8872 | 100% | 8872 | 100% | 8896 | 8896 | 100% | 8896 | 100% |

*The data includes data for permanent workers.

9. Details of performance and career development reviews of employees and worker.

| Category | FY 2022-23 Current Financial Year | | | FY 2021-22 Current Financial Year | | |
|------------------|--------------------------------------|---------|-----------|--------------------------------------|---------|-----------|
| | Total (A) | No. (B) | % (B / A) | Total (C) | No. (D) | % (D / C) |
| Employees | | | | | | |
| Male | 1537 | 1307 | 85.04% | 1492 | 1169 | 78.35% |
| Female | 46 | 25 | 54.35% | 35 | 19 | 54.29% |
| Total | 1583 | 1332 | 84.14% | 1527 | 1188 | 77.80% |
| Workers | | | | | | |
| Male | 8004 | 6425 | 80.27% | 8055 | 5911 | 73.38% |
| Female | 868 | 691 | 79.61% | 841 | 551 | 65.52% |
| Total | 8872 | 7116 | 80.21% | 8896 | 6462 | 72.64% |

10. Health and safety management system:

| | |
|--|--|
| <p>a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?</p> | <p>Yes, We have adopted a comprehensive Occupational Health and Safety Management System, grounded in a robust Environmental Health and Safety (EHS) policy that is effectively communicated to all staff. This health and management is implemented at our company owned offices and plants.</p> |
| <p>b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?</p> | <p>Our organization follows a thorough process to identify work-related hazards and assess risks on both a routine and non-routine basis, grounded in a strong Environmental Health and Safety (EHS) policy. This policy, made available to all employees, provides clear guidelines on recognizing and reporting potential workplace hazards, encouraging proactive participation in maintaining a safe work environment.</p> <p>The EHS Committee, which convenes on a quarterly basis, plays a crucial role in the ongoing evaluation and mitigation of work-related hazards.</p> <p>Our Occupational Health and Safety Management System, certified by ISO-45001:2018, provides a robust framework for hazard identification and risk assessment. Also, Our Denim and Sareri units have been certified under SA 8000:2014. This compliance is assured through a system of external audits that occur every six months. This system ensures our processes are in line with internationally recognized safety standards and that we continually strive to improve our health and safety performance.</p> |

Business Responsibility & Sustainability Reporting (Contd.)

| | |
|---|--|
| | <p>Further to this, we conduct an annual Sedex-SMETA-4 Pillar Audit through an independent third party. This audit rigorously evaluates our practices in labor standards, health and safety, the environment, and business ethics, ensuring we uphold the highest standards and comply with all relevant regulations.</p> <p>In addition, we carry out internal and external audits to constantly monitor and review our safety measures.</p> <p>By integrating these systems and practices, we maintain a continuous, systematic process for identifying and managing work-related hazards and risks.</p> |
| c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N) | Yes, we have processes for workers to report the work related hazards and to remove themselves from such risks. |
| d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No) | <p>Yes,</p> <p>We are dedicated to ensuring that they have access to non-occupational medical and healthcare services. This commitment to their wellbeing is manifested through several initiatives:</p> <p>1- Conduct Free Health Check-up Camps</p> <p>2- Conduct Free Eye Checkup Camps</p> <p>3-Conduct Free Blood Pressure and Diabetes Checkup Camps etc</p> |

11. Details of safety related incidents, in the following format:

| Safety Incident/Number | Category | FY 2022-23 Current Financial Year | FY 2021-22 Previous Financial Year |
|--|------------------|--------------------------------------|---------------------------------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0.270 | 0.280 |
| | Workers | 0.825 | 0.991 |
| Total recordable work-related injuries | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| No. of fatalities | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | 1 | 1 |
| | Workers | 24 | 28 |

| | |
|--|---|
| 12. Describe the measures taken by the entity to ensure a safe and healthy workplace. | <p>Our organization is steadfast in its commitment to identify work-related hazards and assess risks routinely through a robust Environmental Health and Safety (EHS) policy. Accessible to all employees, it provides a framework for recognizing and reporting safety risks, fostering a proactive safety culture</p> <p>Our EHS Committee is central to safety management, meeting quarterly to address work-related hazards. Safety officers across our facilities and frequent training ensure adherence to safety protocols.</p> <p>The ISO-45001:2018 certified Occupational Health and Safety Management System underlines our commitment to international safety standards, offering a holistic approach to hazard identification and risk assessment. Furthermore, our Denim and Sareri units are SA 8000:2014 certified, monitored via biannual external audits.</p> <p>In addition, Safety posters, work instructions, and SOPs are displayed and implemented at the shop floor. Eye washers and showers are available in chemical storage areas. Mock drills, fire evacuation drills, and safety training on various topics are conducted regularly across all units.</p> <p>Annual Sedex-SMETA-4 Pillar Audits ensure transparency and compliance, scrutinizing labor standards, health and safety, environment, and business ethics.</p> |
|--|---|



Business Responsibility & Sustainability Reporting (Contd.)

Our welfare priorities extend to food safety and water treatment. The canteen committee, entrusted with ensuring FSI-certified food quality, addresses complaints, while the worker committee oversees overall welfare. We also maintain safe water supplies through our water treatment facilities

13. Number of Complaints on the following made by employees and workers:

| | FY 2022-23 (Current Financial Year) | | | FY 2021-22 (Previous Financial Year) | | |
|--------------------|--|---------------------------------------|---------|---|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | 20 | 0 | - | 18 | 0 | - |
| Health & Safety | 38 | 0 | - | 35 | 0 | - |

14. Assessments for the year:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Health and safety practices | 100% |
| Working Conditions | 100% |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

To ensure the health and safety of our employees, we undertake a range of corrective actions in response to identified risks and hazards.

Recently, we identified a high-risk rate of fire in the Finished Goods Warehouse. To mitigate this, we installed fire sprinklers of the MOD type throughout the area. These advanced sprinkler systems are designed to provide rapid and effective response to any potential fire outbreak, significantly reducing the risk of damage and ensuring employee safety.

In addition, we have implemented a fire alarm system across our facilities to provide immediate alerts in case of fire, thus enabling swift evacuation or other necessary actions. Beyond the inclusion of the MOD-type sprinkler system, we also have a pressurized fire hydrant system, complete with a main pump and a jockey pump, as an additional safeguard to address any emergencies effectively. Employees are trained regularly on how to respond when the fire alarm system is activated.

Furthermore, to safeguard against work-related hazards, particularly those related to handling of chemicals, we emphasize on the provision and usage of appropriate personal protective equipment (PPE). Regular checks are conducted to ensure all staff members are using the correct PPE. An immediate PPE check is carried out in case of a chemical spill to ensure all affected staff are properly protected.

Through these corrective actions, we continually strive to maintain a safe work environment and safeguard the health and wellbeing of all our employees.

Business Responsibility & Sustainability Reporting (Contd.)

PRINCIPLE 4 : Businesses Should Respect The Interests Of And Be Responsive To All Its Stakeholders**Essential Indicators**

| | |
|--|--|
| 1. Describe the processes for identifying key stakeholder groups of the entity. | <p>Stakeholder identification and prioritization are crucial elements of our strategic planning at SIL. We use a meticulous approach based on the following criteria:</p> <ul style="list-style-type: none"> • Impact and Influence: We consider stakeholders who are directly or indirectly impacted by our business activities, or who can exert influence on our operations. This ensures we are responsive to those who have vested interests in our performance. • Business Dependency and Criticality: We identify and prioritize stakeholders based on their level of dependency on our business and the criticality of their role in our operations. This helps us in recognizing relationships that are crucial to our sustainability and success. • Stakeholder Inclusivity: We believe in an inclusive approach where all stakeholders, regardless of their size or influence, have a role to play. This ensures we consider a broad spectrum of views and expectations. • Top Management Identification: We incorporate the insights of our top management from various functional areas. Their extensive knowledge and experience guide us in recognizing key stakeholders. • Potential Conflicts or Risks: We acknowledge that stakeholder engagement can lead to potential conflicts or risks. Identifying these stakeholders allows us to anticipate, manage, and mitigate any potential challenges that could jeopardize our business. • Peers and Sector Organizations: We also consider stakeholders from our peer organizations and industry sector. Their insights help us keep abreast of industry trends, standards, and expectations. |
|--|--|

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|--------------------------------------|--|---|---|---|
| Shareholders and Investors | No | Meetings, Investor Conferences. Press release and investor presentations | As & When required | <ul style="list-style-type: none"> • Transparent and timely reporting. • Attractive market capitalization growth Focus on free cash generation. • Profitable growth. |
| State Pollution control board | No | Face to face meeting. Emails; letters Online access to PCB portal | Continuous basis | <ul style="list-style-type: none"> • Compliance verification. • Policy matters. • Water and wastewater management. • Environment management. |
| Inspectorate of factories | No | Face-to-face meetings. | As & When Required | <ul style="list-style-type: none"> • Safety audits. • Building plan approvals. • Compliance with regulatory requirements. |
| Other Government agencies | No | Face to face meeting. Emails; letters | As & When Required | <ul style="list-style-type: none"> • Compliance • Responsible and ethical business Operations. |
| Employees | No | Meetings in groups Engagement sessions | Continuous basis | <ul style="list-style-type: none"> • Regular Training & development opportunities. • Competitive remuneration. • Health & safety at the workplace • Quality • Skill development. • Production • Reward & recognition |



Business Responsibility & Sustainability Reporting (Contd.)

| | | | | |
|------------------------|----|---|------------------------|--|
| Local community | No | Community visits and consultations; Community needs assessment | Continuous basis | <ul style="list-style-type: none"> Rural Development Skill development. Education. Health Care. Environment. |
| Suppliers | No | One to one meeting, Supplier assessments | Continuous basis | <ul style="list-style-type: none"> Quality of supply. EHS performance management. Timely delivery. Payments. Human rights, labor & welfare. |
| Customers | No | On-line insights; Reviews; Emails | Spread across the year | <ul style="list-style-type: none"> Product quality. Product design |
| Media | No | Press briefings; Invitation to events | As & When Required | <ul style="list-style-type: none"> Product launch. Adoption of new approaches. Site-Specific Impact Assessment. |

PRINCIPLE 5 Businesses Should Respect and Promote Human Rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

| Category | FY 2022-23 Current Financial Year | | | FY 2021-22 Previous Financial Year | | |
|------------------------|--------------------------------------|-----------------------------------|-----------|---------------------------------------|-----------------------------------|-----------|
| | Total (A) | No. employees workers covered (B) | % (B / A) | Total (C) | No. employees workers covered (D) | % (D / C) |
| Employees | | | | | | |
| Permanent | 1583 | 1,343 | 84.84% | 1527 | 1,113 | 72.89% |
| Other than permanent | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Employees | 1583 | 1,343 | 84.84% | 1527 | 1,113 | 72.89% |
| Workers | | | | | | |
| Permanent | 8872 | 6,855 | 77.27% | 8896 | 4,674 | 52.54% |
| Other than permanent | 1087 | 715 | 65.78% | 780 | 637 | 81.67% |
| Total Workers | 9959 | 7570 | 76.01% | 9676 | 5311 | 54.89% |

2. Details of minimum wages paid to employees and workers, in the following format:

| Category | FY 2022-23 Current Financial Year | | | | | FY 2021-22 Previous Financial Year | | | | |
|----------------------|--------------------------------------|-----------------------|-----------|------------------------|-----------|---------------------------------------|-----------------------|---------|------------------------|---------|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No.(B) | % (B / A) | No. (C) | % (C / A) | | No.(E) | % (E/D) | No.(F) | % (F/D) |
| Employees | | | | | | | | | | |
| Permanent | 1583 | 0 | 0% | 1583 | 100% | 1527 | 0 | 0% | 1527 | 100% |
| Male | 1537 | 0 | 0% | 1537 | 100% | 1492 | 0 | 0% | 1492 | 100% |
| Female | 46 | 0 | 0% | 46 | 100% | 35 | 0 | 0% | 35 | 100% |
| Other than permanent | 0 | 0 | 0% | 0 | 0% | 0 | 0 | 0% | 0 | 0% |
| Male | 0 | 0 | 0% | 0 | 0% | 0 | 0 | 0% | 0 | 0% |
| Female | 0 | 0 | 0% | 0 | 0% | 0 | 0 | 0% | 0 | 0% |

Business Responsibility & Sustainability Reporting (Contd.)

| Category | FY 2022-23 Current Financial Year | | | | | FY 2021-22 Previous Financial Year | | | | |
|----------------------|--------------------------------------|--------------------------|----------|---------------------------|----------|---------------------------------------|--------------------------|---------|---------------------------|---------|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No.(B) | % (B /A) | No. (C) | % (C /A) | | No.(E) | % (E/D) | No.(F) | % (F/D) |
| Workers | | | | | | | | | | |
| Permanent | 8,872 | 0 | 0% | 8872 | 100% | 8896 | 0 | 0% | 8896 | 100% |
| Male | 8,004 | 0 | 0% | 8004 | 100% | 8055 | 0 | 0% | 8055 | 100% |
| Female | 868 | 0 | 0% | 868 | 100% | 841 | 0 | 0% | 841 | 100% |
| Other than permanent | 1,087 | 0 | 0% | 1087 | 100% | 780 | 0 | 0% | 780 | 100% |
| Male | 924 | 0 | 0% | 924 | 100% | 661 | 0 | 0% | 661 | 100% |
| Female | 163 | 0 | 0% | 163 | 100% | 119 | 0 | 0% | 119 | 100% |

3. Details of remuneration/salary/wages, in the following format:

| | Male | | Female | |
|----------------------------------|--------|---|--------|---|
| | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Board of Directors (BoD) | 8 | 1,36,58,500 | 1 | 3,90,000 |
| Key Managerial Personnel | 3 | 2,64,46,000 | 0 | 0 |
| Employees other than BoD and KMP | 1537 | 3,53,533.71 | 46 | 1,36,963.29 |
| Workers | 8004 | 1,21,273.71 | 868 | 1,16,028.00 |

| | |
|--|---|
| 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No) | Yes, we have focal point responsible for addressing human rights impacts or issues caused or contributed to by the business. |
| 5. Describe the internal mechanisms in place to redress grievances related to human rights issues. | <p>Sangam steadfastly prioritizes a healthy working environment that allows employees to excel, free from fear of prejudice, gender bias, sexual harassment, exploitation, or intimidation. We have instituted committees and mechanisms to support this ethos.</p> <p>Our Internal Complaints Committee is dedicated to managing any harassment-related grievances within our plant locations. The committee's responsibilities are vital to maintaining a secure, respectful, and fair workplace.</p> <p>We also have established a Grievance Redressal Committee and Works Committee committed to resolving all other grievances and issues related to our plant.</p> <p>Our grievance mechanism follows a clear and structured path to ensure prompt and efficient resolution:</p> <ol style="list-style-type: none"> 1. The grievance is first reported to the immediate Supervisor or Floor In-Charge. 2. If unresolved, it is escalated to the Head of the Department. 3. The Worker Representative is then involved if necessary. 4. Further unresolved issues are reviewed by the Grievance Redressal Committee. 5. If the situation necessitates, it may finally be addressed by the Managing Director. <p>This mechanism is designed to foster transparency, fairness, and swift resolution. By instituting these committees and processes, we reaffirm our commitment to upholding human rights and maintaining an equitable and respectful workplace for all our employees.</p> |



Business Responsibility & Sustainability Reporting (Contd.)

6. Number of Complaints on the following made by employees and workers:

| | FY 2022-23 Current Financial Year | | | FY 2021-22 Previous Financial Year | | |
|-----------------------------------|--------------------------------------|---------------------------------------|---------|---------------------------------------|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | 0 | 0 | - | 0 | 0 | - |
| Discrimination at workplace | 0 | 0 | - | 0 | 0 | - |
| Child Labour | 0 | 0 | - | 0 | 0 | - |
| Forced Labour/Involuntary Labour | 0 | 0 | - | 0 | 0 | - |
| Wages | 63 | 0 | - | 72 | 0 | - |
| Other human rights related issues | 0 | 0 | - | 0 | 0 | - |

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Sangam is firmly dedicated to fostering a healthy work environment that allows our employees to perform optimally without fear of prejudice, gender bias, sexual harassment, exploitation, or intimidation.

We have established an Internal Complaints Committee, also known as the Anti-Sexual Harassment Committee, to address and resolve any harassment-related grievances originating from our plant locations. This committee is entrusted with significant responsibilities, crucial to ensuring a safe, respectful, and equitable workplace for all.

Our committee's primary duties include:

- Receiving complaints regarding sexual harassment at the workplace and ensuring every complaint is acknowledged and investigated.
- Initiating and conducting impartial, thorough inquiries in accordance with established procedures to ascertain the validity of each complaint.
- Submitting detailed findings and recommendations from the inquiries to guide the management's course of action.
- Working closely with the employer to implement appropriate remedial or disciplinary actions as warranted by the investigation results.
- Upholding strict confidentiality throughout the process, as stipulated by our guidelines, to protect the privacy and rights of all involved parties.
- Regularly submitting annual reports in the prescribed format keeps the organization abreast of the situation and further enhances our workplace safety measures.

Our commitment to the well-being and safety of our employees is unwavering, and we believe in proactive and efficient resolution of any issues that compromise this commitment.

8. Do human rights requirements form part of your business agreements and contracts?(Yes/No)

Yes, Human rights requirement form part of our business agreement and contracts.

9. Assessments for the year:

| | %age of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|--|
| Child labour | 100% |
| Forced/involuntary labour | 100% |
| Sexual harassment | 100% |
| Discrimination at workplace | 100% |
| Wages | 100% |
| Others – please specify | |

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No corrective action required to address the significant risk arising from the assessment.

Business Responsibility & Sustainability Reporting (Contd.)

PRINCIPLE 6: Businesses Should Respect and Make Efforts To Protect And Restore The Environment**Essential Indicators****1. Details of total energy consumption (in gigajoules) and energy intensity, in the following format:**

| Parameter | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|--|--|---|
| Total electricity consumption (A)- In Gigajoules | 10,11,751.39 | 8,22,022.43 |
| Total fuel consumption (B)- In Gigajoules | 23,60,643.16 | 26,61,903.37 |
| Energy consumption through other sources (C) | - | - |
| Total energy consumption (A+B+C)- In Gigajoules | 33,72,394.56 | 34,83,925.80 |
| Energy intensity per rupee of turnover (Total energy consumption/ turnover (in lakhs)) | 12.34 | 14.29 |
| Energy intensity (optional) – the relevant metric may be selected by the entity | | |
| Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. | | No |

- 2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**
- Yes,
Target given for year 2024-2025 is to reduce specific energy consumption from 0.8853 TOE/Tone Equivalent to 0.8503 TOE/ Tone Equivalent.

3. Provide details of the following disclosures related to water, in the following format:

| Parameter | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|--|--|---|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | - | - |
| (ii) Groundwater | 5,22,708 | 5,06,412 |
| (iii) Third party water | - | - |
| (iv) Seawater / desalinated water | - | - |
| (v) Others | - | - |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | 5,22,708 | 5,06,412 |
| Total volume of water consumption** (in kilolitres) | 13,82,009 | 14,55,564 |
| Water intensity per rupee of turnover (Water consumed / turnover (in lakhs)) | 5.06 | 5.97 |
| Water intensity (optional) – the relevant metric may be selected by the entity | | |
| Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. | | No |

**Water consumption includes total water withdrawal from different sources and total recycled water consumed.

- 4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**
- Yes,
Across our manufacturing units, we have installed three ETPs and four Sewage Treatment Plants (STPs), which are meticulously maintained through regular preventive measures. Our Spinning Unit is fully equipped with an operational Effluent Treatment Plant (ETP), a Reverse Osmosis (RO) process for treating the ETP discharge, and a Multiple Effect Evaporator (MEE) for managing the RO rejects.
Detailed records are kept concerning chemical usage, the total volume of water treated, and other pertinent information. These records, along with ETP and STP logs, are regularly reviewed by the concerned department to ensure the accuracy and appropriateness of our practices.
Moreover, our ETPs and STPs are managed by dedicated and well-trained operators, who ensure that these critical processes are functioning optimally.
It is noteworthy to mention that, except for the Sareri plant, all our facilities follow the principle of zero liquid discharge, reflecting our commitment to sustainable and responsible operations.



Business Responsibility & Sustainability Reporting (Contd.)

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter | Please specify unit | FY 2022-23 (Current Financial Year) | 2021-22 (Previous Financial Year) |
|-------------------------------------|---------------------|--|--------------------------------------|
| Nox | mg/Nm ³ | 155.85 | 110.69 |
| Sox | mg/Nm ³ | 256.12 | 160.41 |
| Particulate matter (PM) | mg/Nm ³ | 193.055 | 277.75 |
| Persistent organic pollutants (POP) | | | |
| Volatile organic compounds (VOC) | | | |
| Hazardous air pollutants (HAP) | | | |
| Others– please specify | | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes, RPCB conducts the periodic monitoring for the other GHG emissions.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

| Parameter | Unit | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|---|---|--|---|
| Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 2,47,328.79 | 2,79,003.49 |
| Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 2,12,126.10 | 1,71,039.80 |
| Total Scope 1 and Scope 2 emissions per rupee of turnover | Metric tonnes of CO ₂ equivalent per rupees of turnover (in Lakhs) | 1.68 | 1.85 |
| Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity | | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

Business Responsibility & Sustainability Reporting (Contd.)

| | |
|--|--|
| 7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details. | <p>SIL has implemented several initiatives to reduce greenhouse gas (GHG) emissions:</p> <ol style="list-style-type: none"> 1. Installation of Rooftop Solar Power Plants: We have installed a total of 13 Mega Watt (MW) rooftop solar power plants at various manufacturing units in Rajasthan. These solar plants generate clean and renewable energy, reducing reliance on fossil fuels and lowering GHG emissions. 2. Biomass Co-generation Thermal Power Plant: SIL is in the process of setting up a biomass-based co-generation thermal power plant. This facility will utilize biomass resources to generate power and steam, further reducing our carbon footprint. 3. Wind Energy Turbine: We have installed a 5 MW wind energy turbine, contributing to the generation of green energy for the nation. <p>Additionally, SIL has implemented various energy conservation initiatives:</p> <ul style="list-style-type: none"> • Conversion of Condensing Turbine: We converted a 6 MW condensing turbine into a backpressure turbine, improving energy efficiency and reducing energy consumption. • Compressed Air Leakage Reduction: By actively addressing compressed air leakage, we minimize energy waste and optimize system efficiency. • WCS Duct Modification: We have modified the WCS duct to reduce power consumption, ensuring more efficient operations. • Auto Coner Machine Speed Optimization: Optimizing the speed of suction fan motors in our auto coner machines helps conserve energy. • Installation of Variable Frequency Drives (VFD): VFDs are installed to improve energy efficiency and control motor speed based on demand. • Transition to LED Lights: We have replaced conventional lights with energy-efficient LED lights throughout our facilities. • Solar Street Lights: SIL has installed solar streetlights, utilizing renewable energy for outdoor lighting. <p>These initiatives demonstrate our commitment to reducing GHG emissions and energy consumption. By incorporating renewable energy sources, optimizing operations, and adopting energy-efficient technologies, SIL strives to minimize our environmental impact and contribute to a sustainable future.</p> |
|--|--|

8. Provide details related to waste management by the entity, in the following format:

| Parameter | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|---|--|---|
| Total Waste generated (in metric tonnes) | | |
| Plastic waste (A) | 505.74 | 477.45 |
| E-waste (B) | - | 3.09 |
| Bio-medical waste (C) | - | - |
| Construction and demolition waste (D) | - | - |
| Battery waste (E) | - | 1.73 |
| Radioactive waste (F) | - | - |
| Other Hazardous waste. Please specify, if any. (G) | 5,133.00 | 3,691.70 |
| Other Non-hazardous waste generated (H). Please specify, if any. | 28,617.52 | 38,363.47 |
| (Break-up by composition i.e. by materials relevant to the sector) | | |
| Manufacturing waste- Yarn, Rope, cotton waste | 2,020.53 | 2,087.49 |
| Scrap | 227.97 | 114.21 |
| Other waste- Rubber, Wax, Wooden waste, paper waste, etc | 320.41 | 336.65 |
| Fly ash | 24,304.62 | 34,477.12 |
| Sludge | 1,744.00 | 1,348.00 |
| Total (A+B + C + D + E + F + G + H) | 34,256.26 | 42,537.44 |



Business Responsibility & Sustainability Reporting (Contd.)

| Parameter | 2022-23 (Current Financial Year) | 2021-22 (Previous Financial Year) |
|--|-------------------------------------|--------------------------------------|
| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) | | |
| Category of waste | | |
| (i) Recycled | 221.04 | 165.60 |
| (ii) Re-used | - | - |
| (iii) Other recovery operations | 27,176.08 | 37,356.81 |
| Total | 27,397.12 | 37,522.41 |
| For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) | | |
| Category of waste | | |
| (i) Incineration | 4,771.50 | 3,713.33 |
| (ii) Landfilling | 2,418.49 | 827.00 |
| (iii) Other disposal operations | - | - |
| Total | 7,189.99 | 4,540.33 |
| Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. | | No |

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Unscientific waste and effluent management pose significant threats to the environment and humanity. At SIL, we recognize this fact and prioritize the responsible management of waste and effluent generated at our facilities. Our waste management practices are guided by the principles of waste avoidance, reduction, and recycling.

Within our manufacturing sites, various streams of hazardous waste are generated, including ETP sludge, waste oil, empty chemical containers, and MEE salt. We strictly adhere to regulatory requirements concerning the handling and management of hazardous waste. We apply scientific principles and exercise care at every step of the waste management process.

To ensure proper storage and containment of hazardous waste, each of our plants has dedicated hazardous waste storage yards. These storage yards are equipped with impermeable flooring, appropriate labeling, and stringent storage protocols.

Furthermore, all our sites have obtained authorization from the state pollution control board for managing hazardous waste. Each plant diligently complies with the conditions specified in the authorization. We maintain and submit all necessary regulatory documents, such as Form 3 and Form 4, to the pollution control board as per legally defined frequencies. Our hazardous waste handlers receive periodic training on the safe handling and disposal of waste to ensure utmost care and compliance.

In addition to hazardous waste, we also manage non-hazardous waste generated at our SIL sites. This includes dry vegetation, canteen waste, fabric waste, corrugated boxes, stiffener boxes, and paper waste. We handle these non-hazardous waste categories with the same level of care, following scientific principles.

For instance, boiler ash is sent to brick manufacturers for reuse, while dry vegetation and a portion of canteen waste undergo onsite composting. Other forms of waste, such as paper waste and additional canteen waste, are sent to municipal composting sites for appropriate treatment.

Through these comprehensive waste management practices, we strive to minimize our environmental impact and promote sustainability. At SIL, we are committed to responsible waste management to protect the environment and contribute to a cleaner, healthier future.

Business Responsibility & Sustainability Reporting (Contd.)

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

| S.No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|-------|--------------------------------|--------------------|---|
| - | - | - | - |
| - | - | - | - |

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|-----------------------------------|----------------------|------|---|--|-------------------|
| - | - | - | - | - | - |
| - | - | - | - | - | - |

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

| S. No. | Specify the law/ regulation/ guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties /action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|--------|---|---------------------------------------|--|---------------------------------|
| NA | | | | |

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

| Parameter | FY (Current Financial Year) | FY (Previous Financial Year) |
|--|--------------------------------|---------------------------------|
| From renewable sources | | |
| Total electricity consumption (A) In Gigajoules | 68,968.71 | 61,845.55 |
| Total fuel consumption (B) | - | - |
| Energy consumption through other sources (C) | - | - |
| Total energy consumed from renewable sources (A+B+C) In Gigajoules | 68,968.71 | 61,845.55 |
| From non-renewable sources | | |
| Total electricity consumption (D) In Gigajoules | 9,42,782.68 | 7,60,176.88 |
| Total fuel consumption (E) In Gigajoules | 23,60,643.16 | 26,61,903.37 |
| Energy consumption through other sources (F) | - | - |
| Total energy consumed from non-renewable sources (D+E+F) In Gigajoules | 33,03,425.85 | 34,22,080.25 |
| Note: Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. | | No |

Business Responsibility & Sustainability Reporting (Contd.)

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

| Sr. No | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|--------|---|---|--|
| 1. | Installation of roof top solar power plant | The Company has installed a Total 13 MW roof top solar power plant at various units of the Company. | The installation of rooftop solar panels across our company's various units has remarkably reduced our dependency on electricity generated from fossil fuels. This transition towards harnessing the sun's energy has significant environmental implications, chiefly in reducing our carbon footprint. By embracing this renewable energy source, we are making a tangible contribution to mitigating climate change. Moreover, this initiative has led to cost efficiencies in our operations, reaffirming our commitment to sustainable practices both economically and environmentally. |
| 2. | Wind Power plant | Our company has undertaken the initiative to install 5 MW wind energy turbines, significantly contributing to India's renewable energy share. This endeavour underscores our commitment to promoting a sustainable and greener future for the nation. | We are proud to announce the installation of 5 MW wind energy turbines, a significant step towards enhancing India's renewable energy generation. This initiative not only contributes to our nation's energy production but also aligns with India's commitment under COP 26 to boost renewable energy sources. By implementing this, we are directly aiding in our country's efforts to reach its renewable energy generation targets, thereby fostering a sustainable and resilient energy future for our nation. |
| 3. | Biomass based co-generation thermal power plant | Company also setting up Biomass based co-generation thermal power plant to meet the power and steam requirement with renewable source of energy. | Implementing a biomass-based cogeneration system will significantly reduce our dependency on fossil fuels by utilizing carbon-neutral fuel. This approach not only lessens our environmental impact, but it also provides socio-economic benefits, as the biomass can serve as an additional income source for farmers. Furthermore, without proper management, this biomass could result in CH4 emissions, a potent greenhouse gas. However, by incorporating this biomass in our cogeneration system, we can mitigate such emissions, thereby ensuring more effective and environmentally friendly management of biomass. |
| 4. | Installation Of Conventional Light with Led Light | We have replaced conventional lights of offices and manufacturing lights with energy efficient LED lights. | The outcome of our initiative to replace conventional lights with LED lights in our offices and manufacturing units has been tremendously successful. With LED lights consuming significantly less energy than conventional ones, we have realized substantial savings in electricity costs. Moreover, given that LEDs last up to six times longer than traditional lights, the need for frequent replacements has been greatly reduced, leading to considerable savings in E-waste generation. Furthermore, by adopting LED technology, we are also mitigating environmental impact as these lights contain no toxic elements like mercury, found in conventional bulbs. When they reach the end of their lifespan, LEDs can be recycled, thereby minimizing waste. |
| 5. | Installation Of Solar Street Light | Sangam India has undertaken an initiative to install solar street lights across its premises as part of our commitment to reduce non-renewable energy consumption. | We have noticed a substantial reduction in non-renewable energy consumption. The shift to solar lighting has also decreased our carbon footprint, as we're now harnessing renewable energy from the sun. Beyond environmental and economic benefits, the solar street lights have improved night-time safety and visibility across our premises. |

Business Responsibility & Sustainability Reporting (Contd.)

| Sr. No | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|--------|---|---|--|
| 6. | Modification Of Wcs Duct to reduce Power Consumption | We've successfully modified the WCS duct in our facilities for power consumption reduction and enhanced operational efficiency. | The modification of the WCS duct in our facilities has yielded a positive outcome in terms of reducing power consumption. We have seen a significant decrease in energy usage, leading to cost savings and a lesser environmental footprint. This successful modification has increased the efficiency of our operations, highlighting the potential benefits of continually seeking and implementing energy-efficient solutions. |
| 7. | Auto Coner Machine Speed Optimization In Suction Fan Motor | We've successfully optimized the speed of the suction fan motor in our Auto Coner machines to reduce the energy consumption and improve operational efficiency and machine longevity. | The initiative to optimize the speed of the suction fan motor in our Auto Coner machines has yielded significant results. We have seen notable improvements in operational efficiency and a reduction in energy consumption. The optimized machine speed has minimized wear and tear, extending the equipment's lifespan and reducing maintenance costs. Moreover, it has contributed to our sustainability goals by reducing power usage. |
| 8. | Reduction Of Compressed Air Leakage | Sangam has initiated a successful program to reduce compressed air leakage, enhancing operational efficiency. | By minimizing air leakage, we have improved the efficiency and longevity of our equipment, resulting in lower maintenance costs. This successful initiative has underscored the importance of regularly monitoring and maintaining our equipment to ensure optimal performance. It has further reinforced our commitment to sustainable and efficient operations, and we are motivated to continue finding innovative ways to enhance our processes. |
| 9. | Conversion of 6 MW Condensing Turbine in Backpressure Turbine | Our initiative to convert a 6 MW Condensing Turbine to a Backpressure Turbine has notably improved our energy efficiency. This conversion has reduced energy costs, decreased reliance on external power sources, and aligned with our sustainability objectives by lowering CO2 emissions. | Our initiative to convert a 6 MW Condensing Turbine into a Backpressure Turbine has led to positive outcomes. This transformation has resulted in significant energy savings, as backpressure turbines are more efficient in converting heat to electricity. Additionally, the conversion has reduced our dependency on external power sources, thereby lowering energy costs and CO2 emissions. |
| 10. | Canteen and dry vegetation waste | We have taken several initiative to reduce the waste generation and manage the canteen generated waste properly. | <p>We have implemented several initiatives to ensure optimal usage of resources.</p> <ol style="list-style-type: none"> 1. We encourage our workers to take excess food home to feed animals, reducing food waste and contributing to animal welfare. 2. Used tea leaves are repurposed as a natural manure for our plantation, enhancing soil health and reducing the need for chemical fertilizers. 3. Excess milk is not wasted; instead, it's utilized to make curd, ensuring the efficient use of dairy products and providing a nutritious food source. 4. If milk becomes fermented, it is transformed into cottage cheese, once again maximizing utility and minimizing waste. |



Business Responsibility & Sustainability Reporting (Contd.)

PRINCIPLE 7 Businesses, When Engaging in Influencing Public and Regulatory Policy, Should Do So In A Manner That Is Responsible And Transparent

Essential Indicators

| | |
|---|---|
| 1. a. Number of affiliations with trade and industry chambers/ associations. | 4 |
|---|---|

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

| S.No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|--------------|--|--|
| 1 | Confederation of Indian Textile Industry (CITI) New Delhi; and | National |
| 2 | Council for Redressal & Development of Industries. | National |
| 3 | Denim Manufacturers Association. | National |
| 4 | The Rajasthan Textile Mill Associations, Rajasthan; | State |

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

| Name of authority | Brief of the case | Corrective action taken |
|--|--------------------------|--------------------------------|
| No, action required on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities. | | |

PRINCIPLE 8 Businesses Should Promote Inclusive Growth and Equitable Development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes /No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|--|-----------------------------|-----------------------------|---|---|--------------------------|
| No Social Impact Assessment (SIA) of projects undertaken by the entity for the current reporting year. | | | | | |

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

| S. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In ₹) |
|--|---|--------------|-----------------|--|-------------------------------------|--|
| No Rehabilitation and resettlement is being taken by the entity in the current reporting year. | | | | | | |
| | | | | | | |

Business Responsibility & Sustainability Reporting (Contd.)

| | |
|---|--|
| 3. Describe the mechanisms to receive and redress grievances of the community. | <p>Yes, We have implemented a thorough and responsive grievance redressal mechanism specifically for addressing complaints from community members. The process involves the following steps:</p> <ol style="list-style-type: none"> 1. Each plant unit maintains a logbook designed for registering complaints received from community members. This ensures a clear record of grievances and helps track the progress of their resolution. 2. Upon receipt of a complaint, it is carefully evaluated and categorized based on its nature (such as culture & heritage, land disturbance, health & safety, etc.). We then assign relevant personnel to address the issue, ensuring it is handled by those best equipped to resolve it. 3. Following the categorization and assignment, we reach out to the complainant to acknowledge their concern and assure them of the steps being taken to resolve the issue. 4. As we work to address the issue, we also endeavor to identify and understand its root causes. This is crucial in formulating measures to prevent similar issues from recurring in the future. 5. Once the complaint has been resolved to the satisfaction of the complainant, the community redressal manager or assigned personnel sign off on the complaint. This signifies that the issue has been effectively addressed. 6. In instances where a complaint has not been satisfactorily resolved, the community redressal manager is responsible for initiating a further investigation. If required, we will involve a third party for mediation to ensure a fair and unbiased resolution. <p>By maintaining this systematic and thoughtful approach to community grievances, we aim to uphold our social responsibility, respect for our community's concerns, and the commitment to creating a harmonious coexistence with the community.</p> |
|---|--|

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

| | FY 2022-23 Current Financial Year | FY 2021-22 Previous Financial Year |
|---|---|--|
| Directly sourced from MSMEs/ small producers | 36.54% | 40.44% |
| Sourced directly from within the district and neighbour-ing districts | 10.31% | 12.63% |

PRINCIPLE 9 Businesses Should Engage With and Provide Value To Their Consumers In A Responsible Manner**Essential Indicators**

| | |
|--|--|
| 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback. | <p>We have robust mechanisms in place to address consumer complaints and feedback. We prioritize customer satisfaction and welcome all feedback. For this purpose, we have established a dedicated email, (customercare@C9airwear.com) and a contact number, (+919799165695). These channels serve as direct lines for our customers to voice their concerns or share their experience, ensuring prompt resolution and continuous improvement of our services.</p> |
| 2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about: | |
| | As a percentage to total turnover |
| Environmental and social parameters relevant to the product | 0% |
| Safe and responsible usage | 0% |
| Recycling and/or safe disposal | 0% |



Business Responsibility & Sustainability Reporting (Contd.)

3. Number of consumer complaints in respect of the following:

| | FY 2022-23 (Current Financial Year) | | Remarks | FY 2021-22 (Previous Financial Year) | | Remarks |
|--------------------------------|--|-----------------------------------|---------|---|-----------------------------------|---------|
| | Received during the year | Pending resolution at end of year | | Received during the year | Pending resolution at end of year | |
| Data privacy | 0 | 0 | - | 0 | 0 | - |
| Advertising | 0 | 0 | - | 0 | 0 | - |
| Cyber-security | 0 | 0 | - | 0 | 0 | - |
| Delivery of essential services | 0 | 0 | - | 0 | 0 | - |
| Restrictive Trade Practices | 0 | 0 | - | 0 | 0 | - |
| Unfair Trade Practices | 0 | 0 | - | 0 | 0 | - |
| Other | 15 | 0 | - | 12 | 0 | - |

4. Details of instances of product recalls on account of safety issues:

| | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | 0 | - |
| Forced recalls | 0 | - |

| | |
|---|---|
| <p>5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.</p> | <p>Yes, We understand the critical importance of cybersecurity and the protection of data privacy in today's digital era. As such, we have developed and implemented a comprehensive policy to address these issues.</p> <p>Web link- https://sangamgroup.com/cyber-security-policy/</p> |
| <p>6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.</p> | <p>No corrective action were required related to advertising, delivery of essential services, cyber security and data privacy.</p> |

**STANDALONE
FINANCIAL
STATEMENTS**



Independent Auditor's Report

To,
The Members of Sangam (India) Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of Sangam (India) Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31st March, 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, and its profit including other comprehensive income, changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described

in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements for the financial year ended 31st March, 2023. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

| The key audit matters Key audit matter description | How our audit addressed the key audit matter Principal Audit Procedures |
|--|---|
| <p>1. Capital Work In Progress (CWIP) ₹ 21,672 lakhs (Refer Note 5 to the standalone financial statements)</p> <p>Since the amount included and the expenditure incurred during the year was of substantial nature, it has been considered as key audit matter, so as to confirm proper accounting, compliance with the INDAS 16, controls and monitoring procedure for capitalization of CWIP.</p> | <p>Principal Audit Procedures performed</p> <p>Our Audit procedures included the following:</p> <ul style="list-style-type: none"> i. We visited the site physically to verify the progress of the development of the facilities undertaken as per the contracts. ii. We reviewed the management's procedure to review the periodic progress of the contracts and certification of the jobs carried out by the project management consultants for capital work in progress, based on the running bills submitted by the contractors. |

Independent Auditor's Report (Contd.)

| The key audit matters | How our audit addressed the key audit matter |
|---|--|
| | iii. We selected and checked a sample of invoices of the CWIP, the subsequent payment by the accounts department in accordance with the applicable terms and conditions and by approval by the proper authorities, authorised for the payment of the running bills iv. We verified payments made by the accounts, based on the approval by the proper authorities of the running bills with the bank statement. v. We discussed the issues and observations of Capital Work in Progress with the management/accounts and finance team for clarification as and when required. |
| <p>2. Issue of Sweat Equity Shares</p> <p>Sweat Equity Shares ₹ 112.50 lakhs (Refer Note 20 to the standalone financial statements)</p> <p>Security Premium on Sweat Equity Shares ₹ 3,681 lakhs (Refer Note 21 to the standalone financial statements)</p> <p>During the year, the Company has issued 11,25,000 equity shares of ₹ 10/- each, as fully paid up sweat equity shares to the Executive Director & Chief Business Strategist, without payment being received in cash pursuant to contracts, at a premium of ₹ 327.18 each per share.</p> <p>Since the transaction required various compliance under the Act and applicable provisions of SEBI regulations, the same is considered as a key audit matter for reporting purpose</p> | <p>Principal Audit Procedures performed</p> <p>Our Audit procedures included the following:</p> i. Enquiring with those charged with the governance and the key managerial personal about the procedure followed for issue of sweat equity shares ii. Reading the Special Board Resolution passed by the company specifying number of shares, current market price and classes of directors and employees to whom the shares were to be issued. (dated 17 th June 2022) iii. Reading the Minutes of Extra Ordinary General Meeting of the Shareholders held on 16 th July 2022, for approval of the issue of shares iv. Referred the relevant provisions of the Act as applicable to ascertain whether the same have been complied with; v. Review of various e-forms submitted to the Ministry of Corporate Affairs (MCA) in compliance with the provisions of the Act and the relevant rules; vi. Review of valuation report issued by the registered valuer in accordance with the provisions of the Companies (Registered Valuers and Valuation) Rules 2017 vii. Verifying the accounting thereof in the books of accounts and disclosure in the financial statements in accordance with the Act and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021 |

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

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

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



Independent Auditor's Report (Contd.)

Responsibility of Management and those charged with Governance for the Standalone Financial Statements

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

In preparing the standalone financial statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

As part of an audit in accordance with Standards on Auditing

(SAs), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial statements, including the disclosures, and whether the Standalone Financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

Independent Auditor's Report (Contd.)

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

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

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

Other matters

We have relied on the opening audited balances as at 1st April 2022, the audit of which was conducted by the then erstwhile auditors of the Company along with one of the current joint auditor "O. P. Dad & Co." who had issued an unmodified opinion.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2015, as amended.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us.
 - (i) The company has disclosed the impact of pending litigations as on 31st March, 2023 on its financial position under note no. 52 of standalone financial statements.
 - (ii) The Company has made provision as at 31st March 2023 as required under the applicable Law or Accounting Standards for foreseeable losses on long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv)
 - (a) The management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding,



Independent Auditor's Report (Contd.)

- whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes of accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries); and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation given by the management under paragraph (3) (g) (iv) (a) and (b) contain any material misstatement.
- (v) With regard to dividend declared and paid during the year by the Company:
- (a) The Company has paid ₹ 890.93 lakhs as dividend during the year in respect of the

dividend declared for the previous financial year ended 31st March 2022 and the same is in accordance with Section 123 of the Act, to the extent it applies to payment of dividend.

- (b) The Board of Directors of the Company have proposed dividend @ 20 % on equity shares for the year ended 31st March 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer note no. 64)
3. With respect to the matter to be included in the Auditors' Report under section 197(16):
- The remuneration paid by the Company to its directors during the current year is within the limit as laid down in section 197 of the Act, based on the legal opinion obtained by the Company for not including sweat equity shares issued to one of the whole time directors, in the managerial remuneration.

For R KABRA & CO LLP

Chartered Accountants
(Firm Registration No:
104502W/W100721)

Deepa Rathi

Partner
Membership No:104808
UDIN: 23104808BGTSXJ3598
Place: Bhilwara
Dated: 28th April, 2023

For O. P. Dad & Co.

Chartered Accountants
Firm Registration No:
002330C

O. P. Dad

Partner
Membership No. 035373
UDIN: 23035373BGXMMY5890
Place: Bhilwara
Dated: 28th April, 2023

Annexure "A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SANGAM (INDIA) LIMITED

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Capital Work-In-Progress and relevant details of Right-of-Use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) As per the information and explanation given to us, in our opinion and in view of continuous capital expansions, the management needs to strengthen the reasonable interval to carry out the physical verification of the Property, Plant and Equipment. As management has not reported any material discrepancies, no adjustments are required to be made in the books of accounts.
- (c) According to the information and explanation given to us, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the company.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) According to the information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate. As per information and explanation given to us, any discrepancies of 10% or more in the aggregate for each class of inventory were not noticed on such verification.
- (b) The company has been sanctioned working capital

limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. The quarterly returns or statements filed by the company with such banks in principle are in agreement with the books of account of the Company for the respective periods.

- (iii) (a) In respect of investments, loans and advances in the nature of loans, guarantees and security to companies, firms, Limited Liability Partnerships or any other parties during the year:
- (A) The Company has made investments in the subsidiary company and provided Corporate Guarantee during the year on behalf of its subsidiary company as per details below:

(₹ In Lakhs)

| Particulars | The aggregate amount during the year | Balance outstanding at the Balance Sheet date |
|---|--------------------------------------|---|
| Investments in equity shares of subsidiary company | 3152 | 3922 |
| Corporate Guarantee on behalf of subsidiary company for the Term Loan of ₹ 10,700 lakhs obtained by the subsidiary company. | 1011* | 1011* |

*Fair value as per Ind AS

- (B) The Company has made investments during the year in entities other than subsidiaries, joint ventures and associates as per the details below:

(₹ In Lakhs)

| To whom | The aggregate amount during the year | Balance outstanding at the Balance Sheet date |
|----------------------------|--------------------------------------|---|
| Investment in Mutual Funds | 700 | 686* |

*Fair value as per Ind AS

- (b) According to the information and explanation given to us, the investments made, guarantees provided, and the terms and conditions of the guarantees provided are not prejudicial to the company's interest;
- (c) Since the company has not granted any loans and advances in the nature of loans during the year, reporting under clause 3(iii)(c) to (f) is not applicable.



**Annexure "A" to the Independent Auditor's Report
on the Standalone Financial Statements of Sangam (India) Limited (Contd.)**

- (iv) According to the information and explanation given to us, the company has complied with requirements of section 185 and 186 of the Act in respect of loans, investments, guarantees or security made by it during the year under audit;
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits under the directives of the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act and the Company has maintained such accounts and records. We have, however, not made a

detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) a) The Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and any other statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, the disputed statutory dues that have not been deposited before appropriate authorities are as under:

| Sr. No. | Name of the statute | Nature of dues | Amount of disputed demand (₹ in lakhs) | | Period to which the amount related (F.Y) | Forum where Dispute is Pending |
|---------|--------------------------------|------------------------|--|------------------|--|--------------------------------|
| | | | Gross | Net of Deposited | | |
| 1 | Rajasthan Stamp Duty Act, 1998 | Stamp Duty | 109 | 64 | 2006-07 | Rajasthan High Court Jodhpur |
| 2 | Electricity Act, 2003 | Fixed Charges Recovery | 66 | 42 | 2009-10 to 2010-11 | APTEL, New Delhi |

- (viii) According to the information and explanation given to us, the company has not surrendered or disclosed any transactions previously unrecorded in books of accounts, in the tax assessments under the Income Tax Act, 1961 (43 of 1961) as income during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) (a) Based on our audit procedures and as per the information and explanations provided by the management, we are of the opinion that the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or other lenders.
- (c) According to the information and explanation given to us, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) According to the information and explanation given to us, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

- (e) According to the information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;
- (f) According to the information and explanation given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year under review.
- (b) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year under review.
- (xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, no fraud by the Company or no material fraud on the company has not been noticed or reported during the year;

Annexure "A" to the Independent Auditor's Report on the Standalone Financial Statements of Sangam (India) Limited (Contd.)

- (b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) In our opinion, to the best of our knowledge and according to the information and explanation given to us, no whistle-blower complaints were received during the year by the company;
- (xii) The Company is not a Nidhi Company, accordingly provisions of the Clause 3(xii) of the Order is not applicable to the company;
- (xiii) According to the information and explanations given to us, we are of the opinion that all transactions with related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the Accounting Standards and the Companies Act, 2013
- (xiv) (a) Based on the discussions with management and according to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business;
- (b) The available internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) According to the information and explanations given to us, we are of the opinion that the company has not entered into any non-cash transactions with directors or persons connected with him and accordingly, the provisions of clause 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, we are of the opinion that the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly the provisions of clause 3(xvi) of the Order are not applicable;
- (xvii) According to the information and explanations given to us and based on the audit procedures conducted we are of opinion that the company has not incurred any cash losses in the financial year and the immediately preceding financial year;
- (xviii) There has been no resignation of the statutory auditors of the Company during the year and accordingly,
- the provisions of clause 3(xviii) of the Order is not applicable;
- (ix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is incapable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, the Company does not have any unspent Corporate Social Responsibility (CSR) amount which is required to be transfer to a Fund specified in Schedule VII to the Companies Act, 2013 before the date of this report and within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.
- (b) There are no unspent amounts in respect of ongoing projects that are required to be transferred to a special account in compliance of provision of sub-section (6) of section 135 of companies Act.
- (xxi) There are no qualifications or adverse remarks given by the auditor in the Companies (Auditor's Report) Order (CARO) reports of the subsidiary company. As such provision of clause 3(xxi) of the Order is not applicable.

For R KABRA & CO LLP

Chartered Accountants
 (Firm Registration No:
 104502W/W100721)

Deepa Rathi

Partner
 Membership No:104808
 UDIN: 23104808BGTSXJ3598
 Place: Bhilwara
 Dated: 28th April, 2023

For O. P. Dad & Co.

Chartered Accountants
 Firm Registration No:
 002330C

O. P. Dad

Partner
 Membership No. 035373
 UDIN: 23035373BGXMMY5890
 Place: Bhilwara
 Dated: 28th April, 2023



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

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

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

We have audited the internal financial controls over financial reporting of Sangam (India) Limited ("the Company") as of 31st March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Financial Statements, assessing the risk that a material

weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

Annexure "B" to the Independent Auditor's Report on the Standalone Financial Statements of Sangam (India) Limited (Contd.)

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Financial Statements and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over

Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

For R KABRA & CO LLP

Chartered Accountants
(Firm Registration No:
104502W/W100721)

Deepa Rathi

Partner
Membership No:104808
UDIN: 23104808BGTSXJ3598
Place: Bhilwara
Dated: 28th April, 2023

For O. P. Dad & Co.

Chartered Accountants
Firm Registration No:
002330C

O. P. Dad

Partner
Membership No. 035373
UDIN: 23035373BGXMMY5890
Place: Bhilwara
Dated: 28th April, 2023



Value through values

Sangam (India) Limited

Standalone Balance Sheet

as at 31st March, 2023

(₹ in Lakhs)

| Particulars | Notes | As at 31 st March, 2023 | As at 31 st March, 2022 |
|---|-------|---------------------------------------|---------------------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant & Equipment | 3 | 65,013 | 59,475 |
| Right of Use Assets | 4 | 200 | 349 |
| Capital Work-in-Progress | 5 | 21,672 | 7,098 |
| Intangible Assets | 6 | 319 | 354 |
| Intangible Assets under Development | 7 | 9 | 14 |
| Financial Assets | | | |
| (i) Investments | 8 | 5,008 | 849 |
| (ii) Other Financial Assets | 9 | 3,094 | 2,649 |
| Other Non Current Assets | 10 | 10,398 | 4,867 |
| TOTAL NON-CURRENT ASSETS | | 1,05,713 | 75,655 |
| Current Assets | | | |
| Inventories | 11 | 50,959 | 52,797 |
| Financial Assets | | | |
| (i) Investments | 12 | 686 | - |
| (ii) Trade Receivables | 13 | 35,236 | 37,643 |
| (iii) Cash and Cash equivalents | 14 | 16 | 9 |
| (iv) Bank balances other than (iii) above | 15 | 2,777 | 2,117 |
| (v) Other Current Financial Assets | 16 | 5,268 | 6,057 |
| Current Tax Assets (Net) | 17 | 700 | - |
| Other Current Assets | 18 | 9,890 | 7,172 |
| Assets for Sale | 19 | - | 776 |
| TOTAL CURRENT ASSETS | | 1,05,532 | 1,06,571 |
| TOTAL ASSETS | | 2,11,245 | 1,82,226 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 20 | 4,505 | 4,342 |
| Other Equity | 21 | 81,895 | 64,714 |
| Share Warrants | 22 | 2,340 | 2,565 |
| TOTAL EQUITY | | 88,740 | 71,621 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| (i) Borrowings | 23 | 32,366 | 18,055 |
| (a) Lease Liabilities | 24 | 57 | 219 |
| (ii) Other Financial Liabilities | 25 | 1,011 | - |
| Deferred Tax Liabilities (Net) | 26 | 3,254 | 3,786 |
| TOTAL NON-CURRENT LIABILITIES | | 36,688 | 22,060 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| (i) Borrowings | 27 | 48,420 | 42,614 |
| (a) Lease Liabilities | 28 | 162 | 143 |
| (ii) Trade Payables (Includes Acceptances) | 29 | | |
| a) Total outstanding dues of Micro enterprises and Small enterprises | | 1,175 | 1,128 |
| b) Total outstanding dues of Creditors other than Micro enterprises and Small enterprises | | 21,240 | 27,612 |
| (iii) Other Financial Liabilities | 30 | 10,622 | 12,992 |
| Other Current Liabilities | 31 | 1,876 | 1,773 |
| Current Tax Liabilities (Net) | 32 | - | 384 |
| Provisions | 33 | 2,322 | 1,899 |
| TOTAL CURRENT LIABILITIES | | 85,817 | 88,545 |
| TOTAL EQUITY AND LIABILITIES | | 2,11,245 | 1,82,226 |

Significant accounting policies and notes on financial statements

1 to 65

As per our Report of even date**For R Kabra & Co LLP**Chartered Accountants
(Firm Registration No 104502W/
W100721)**(Deepa Rathi)**Partner
Membership No.104808
UDIN: 23104808BGT SXJ3598Place: Bhilwara
Date: April 28, 2023**For O. P. Dad & Co.**Chartered Accountants
(Firm Registration No 002330C)**(O. P. Dad)**Partner
Membership No. 035373
UDIN: 23035373BGXMMY5890Place : Bhilwara
Date: April 28, 2023**For and on the Behalf of the Board****(R.P. Soni)**Chairman
(DIN 00401439)**(Dr. S. N. Modani)**Managing Director & CEO
(DIN 00401498)**(V. K. Sodani)**Executive Director
(DIN 00403740)**(Anurag Soni)**Director & CFO
(DIN 03407094)**(A. K. Jain)**Company Secretary
(M No: F-7842)

Standalone Statement of Profit and Loss

for the year ended 31st March, 2023

(₹ in Lakhs)

| Particulars | Notes | 2022-23 | 2021-22 |
|--|--------|-----------------|-----------------|
| INCOME | | | |
| Revenue from Operations | 34 | 2,71,530 | 2,43,776 |
| Other Income | 35 | 1,747 | 716 |
| Total Income | | 2,73,277 | 2,44,492 |
| EXPENSES | | | |
| Cost of Materials Consumed | 36 | 1,57,832 | 1,33,483 |
| Purchases of Traded Goods | 37 | 5,074 | 4,476 |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 38 | (9,211) | (3,567) |
| Employee Benefits Expenses | 39 | 23,081 | 20,095 |
| Finance Costs | 40 | 5,361 | 4,780 |
| Depreciation and Amortization Expense | 41 | 7,817 | 7,034 |
| Power & Fuel | 42 | 30,204 | 24,539 |
| Other Expenses | 43 | 34,395 | 33,986 |
| Total Expenses | | 2,54,553 | 2,24,826 |
| Profit Before Exceptional Item and Tax | | 18,724 | 19,666 |
| Exceptional Items | 44 | 2,575 | 1,229 |
| Profit Before Tax | | 16,149 | 18,437 |
| Tax Expenses | | | |
| Current Tax | | 3,920 | 5,304 |
| Deferred Tax | | (563) | (1,389) |
| Tax Expense for Earlier Years | | (662) | 429 |
| Total Tax Expenses | | 2,695 | 4,344 |
| Profit After Tax | | 13,454 | 14,093 |
| Less:- Total Comprehensive Income/ (Loss) of erstwhile Amalgamating Company for previous year ended on 31 st March, 2021. | 45 (b) | - | (71) |
| Profit for the year | | 13,454 | 14,022 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of defined benefit plans | | 107 | 164 |
| Tax relating to remeasurement of defined benefit plans | | (27) | (41) |
| | | 80 | 123 |
| Items that will be reclassified to profit or loss | | | |
| Fair value changes on derivatives designated as cash flow hedges | | 11 | (25) |
| Tax on items that will be reclassified subsequently to Profit & Loss | | (3) | 6 |
| | | 8 | (19) |
| Total Other Comprehensive Income for the year | | | |
| Total Comprehensive Income for the year | | 88 | 104 |
| | | 13,542 | 14,126 |
| Earnings per equity share of face value of ₹ 10 each | | | |
| Basic EPS before exceptional items | | 36.12 | 35.12 |
| Basic EPS after exceptional items | 47 | 30.31 | 32.29 |
| Diluted EPS Before exceptional items | | 33.47 | 34.94 |
| Diluted EPS after exceptional items | | 28.10 | 32.12 |

Significant accounting policies and notes on financial statements

1 to 65

As per our Report of even date

For and on the Behalf of the Board

For R Kabra & Co LLP

Chartered Accountants
(Firm Registration No 104502W/
W100721)

(Deepa Rathi)

Partner
Membership No.104808
UDIN: 23104808BGTSXJ3598

Place: Bhilwara

Date: 28th April, 2023

For O. P. Dad & Co.

Chartered Accountants
(Firm Registration No 002330C)

(O. P. Dad)

Partner
Membership No. 035373
UDIN: 23035373BGXMMY5890

Place: Bhilwara

Date: 28th April, 2023

(R.P. Soni)

Chairman
(DIN 00401439)

(Dr. S. N. Modani)

Managing Director & CEO
(DIN 00401498)

(Anurag Soni)

Director & CFO
(DIN 03407094)

(V. K. Sodani)

Executive Director
(DIN 00403740)

(A. K. Jain)

Company Secretary
(M No: F-7842)



Standalone Cash Flow Statement

for the year ended 31st March, 2023

(₹ in Lakhs)

| Particulars | 2022-23 | 2021-22 |
|---|-----------------|-----------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit Before Tax | 16,149 | 18,436 |
| Adjustments for :- | | |
| Depreciation and Amortization Expense | 7,817 | 7,034 |
| Finance Costs | 5,361 | 4,780 |
| Bad Debts / Allowance for Doubtful Debts | 274 | 2,180 |
| Advances Written Off | 454 | 128 |
| Interest Income | (578) | (418) |
| Foreign Exchange Fluctuation Gain/ (Loss) (Net) | 623 | (318) |
| Non cash consideration in respect of sweat equity shares | 1,138 | - |
| Employee Retirement Benefits | 107 | 403 |
| Profit on Sale of Property, Plant & Equipments (Net) | (722) | (120) |
| Operating Profit before working capital changes | 30,623 | 32,105 |
| Movements in Working Capital :- | | |
| (Increase) / Decrease in Inventories | 1,838 | (15,644) |
| (Increase) / Decrease in Trade Receivables | 1,651 | (10,133) |
| (Increase) / Decrease in Other Financial Assets | 3,459 | (562) |
| (Increase) / Decrease in Other Assets | (6,250) | (2,595) |
| Increase / (Decrease) in Trade Payables | (6,466) | 20,345 |
| Increase / (Decrease) in Other Financial Liabilities | (1,562) | 4,763 |
| Increase / (Decrease) in Provisions | 435 | 363 |
| Increase / (Decrease) in Other Liabilities | (40) | 745 |
| Cash Generated from Operations | 23,688 | 29,387 |
| Taxes Paid / (Refund) (Net) | 4,342 | 4,540 |
| Net Cash Inflow / (Out Flow) from Operating Activities | 19,346 | 24,847 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Property, Plant & Equipments # (Include CWIP, Capital Advance etc.) | (31,865) | (20,104) |
| Sale of Property, Plant & Equipments | 1,823 | 865 |
| Interest Income | 630 | 409 |
| Sale of Investment / (Purchase) (Net) | (3,834) | (840) |
| Net Cash Inflow / (Outflow) from Investing Activities | (33,246) | (19,670) |
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of Equity Share Capital (Including Share Premium) | 4,693 | - |
| less-Non cash consideration in respect of sweat equity shares | (3,793) | - |
| Proceeds from issue of Share Warrant | (225) | 2,565 |
| Proceeds from Long Term Borrowings | 22,412 | 4,079 |
| Repayment of Long Term Borrowings | (8,101) | (6,463) |
| Increase / (Decrease) in Short- Term Borrowings | 5,806 | 987 |
| Finance Costs | (5,331) | (4,796) |
| Dividend Paid | (893) | (433) |
| Net Cash Inflow / (Out Flow) from Financing Activities | 14,568 | (4,061) |
| Net Increase/(Decrease) in Cash & Cash equivalents | 667 | 1,116 |
| Cash and Cash Equivalents at the Beginning | 2,126 | 1,006 |
| Add: Upon amalgamation of subsidiary Company | - | 4 |
| Cash and Cash Equivalents at the End | 2,793 | 2,126 |

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

Standalone Cash Flow Statement
for the year ended 31st March, 2023 (Contd.)

Change in Liability arising from financing activities

(₹ in Lakhs)

| Particulars | As at 31 st March, 2022 | Cash Flow | Adjustment on account of regrouping | As at 31 st March, 2023 |
|--|---------------------------------------|---------------|---|---------------------------------------|
| Borrowings - Non Current (Refer Note No. 23) | 18,055 | 14,311 | - | 32,366 |
| Borrowings - Current (Refer Note No. 27) | 57,984 | 5,806 | (15,370) | 48,420 |
| Total | 76,039 | 20,117 | (15,370) | 80,786 |

| Particulars | As at 31 st March, 2021 | Cash Flow | Adjustment on account of regrouping | As at 31 st March, 2022 |
|--|---------------------------------------|---------------|---|---------------------------------------|
| Borrowings - Non Current (Refer Note No. 23) | 20,438 | (2,383) | - | 18,055 |
| Borrowings - Current (Refer Note No. 27) | 38,513 | 16,357 | 3,114 | 57,984 |
| Total | 58,951 | 13,974 | 3,114 | 76,039 |

As per our Report of even date

For and on the Behalf of the Board

For R Kabra & Co LLP

Chartered Accountants
(Firm Registration No 104502W/
W100721)

For O. P. Dad & Co.

Chartered Accountants
(Firm Registration No 002330C)

(Deepa Rathi)

Partner
Membership No.104808
UDIN: 23104808BGTSXJ3598

(O. P. Dad)

Partner
Membership No. 035373
UDIN: 23035373BGXMMY5890

(R.P. Soni)

Chairman
(DIN 00401439)

(Dr. S. N. Modani)

Managing Director & CEO
(DIN 00401498)

(V. K. Sodani)

Executive Director
(DIN 00403740)

Place: Bhilwara

Date: 28th April, 2023

Place : Bhilwara

Date: 28th April, 2023

(Anurag Soni)

Director & CFO
(DIN 03407094)

(A. K. Jain)

Company Secretary
(M No: F-7842)



Standalone Statement of Changes in Equity

for the year ended 31st March, 2023

(a) Equity share capital

(₹ in Lakhs)

| | As at 31 st March, 2023 | | As at 31 st March, 2022 | |
|---|------------------------------------|--------------|------------------------------------|--------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Balance at the beginning of the year | 4,34,21,559 | 4,342 | 4,34,21,559 | 4,342 |
| Changes in Equity Share Capital due to prior period errors | | | - | - |
| Restated balance at the beginning of the current reporting period | 4,34,21,559 | 4,342 | 4,34,21,559 | 4,342 |
| Changes in equity share capital during the year | 16,25,000 | 163 | - | - |
| Balance at the year end (Refer Note no.20) | 4,50,46,559 | 4,505 | 4,34,21,559 | 4,342 |

(b) Other equity

(₹ in Lakhs)

| Particulars | Reserves and Surplus | | | | | Other Comprehensive Income | Total |
|---|----------------------|-------------------|-----------------|---|--------------------|---------------------------------------|---------------|
| | General Reserve | Retained Earnings | Capital Reserve | Preference Share Capital Redemption Reserve | Securities Premium | Effective Portion of Cash Flow Hedges | |
| Balance at 01st April, 2021 | 22,818 | 19,834 | 297 | 1,178 | 7,468 | 25 | 51,620 |
| Profit for the year | - | 14,093 | - | - | - | - | 14,093 |
| Other comprehensive income/ (loss) for the year | - | 123 | - | - | - | (19) | 104 |
| Total comprehensive income for the year | - | 14,216 | - | - | - | (19) | 14,197 |
| Dividend paid | - | (435) | - | - | - | - | (435) |
| On account of merger of subsidiary company (Refer Note No. 45 (a)) | - | (597) | - | - | - | - | (597) |
| Total Comprehensive Income/ (Loss) of erstwhile amalgamating Company for previous year ended 31 st March, 2021 (Refer Note No. 45 (b)) | | (71) | | | | | (71) |
| Balance at 31st March, 2022 | 22,818 | 32,947 | 297 | 1,178 | 7,468 | 6 | 64,714 |
| Balance at the beginning of the reporting year | 22,818 | 32,947 | 297 | 1,178 | 7,468 | 6 | 64,714 |
| Profit for the year | - | 13,454 | - | - | - | - | 13,454 |
| Other comprehensive income for the year | - | 80 | - | - | - | 8 | 88 |
| Total comprehensive income for the year | - | 13,534 | - | - | - | 8 | 13,542 |
| Security premium on Issue of Equity Shares | - | | - | - | 4,531 | | 4,531 |
| Dividend paid | - | (891) | - | - | - | - | (891) |
| Balance at 31st March, 2023 | 22,818 | 45,590 | 297 | 1,178 | 11,999 | 14 | 81,895 |

The accompanying notes are an integral part of these financial statements

As per our Report of even date

For R Kabra & Co LLP

Chartered Accountants

(Firm Registration No 104502W/
W100721)

(Deepa Rathi)

Partner

Membership No.104808

UDIN: 23104808BGTSXJ3598

Place: Bhilwara

Date: 28th April, 2023

For O. P. Dad & Co.

Chartered Accountants

(Firm Registration No 002330C)

(O. P. Dad)

Partner

Membership No. 035373

UDIN: 23035373BGXMMY5890

Place : Bhilwara

Date: 28th April, 2023

For and on the Behalf of the Board

(R.P. Soni)

Chairman

(DIN 00401439)

(Dr. S. N. Modani)

Managing Director & CEO

(DIN 00401498)

(V. K. Sodani)

Executive Director

(DIN 00403740)

(Anurag Soni)

Director & CFO

(DIN 03407094)

(A. K. Jain)

Company Secretary

(M No: F-7842)

Notes to Standalone Financial Statements

for the year ended 31st March, 2023

1. GENERAL INFORMATION:

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

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

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

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

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

1.1 BASIS OF PREPARATION:

A. Statement of compliance

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

These financial statements were approved for issue in accordance with the resolution of the Board of Directors as per its meeting held on April 28, 2023.

B. Functional and presentation currency

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

C. Basis of measurement

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

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

D. Use of estimates and judgements

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

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

Judgments

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

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

Assumptions and estimation uncertainties

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

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

E. Measurement of fair values

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

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



Notes to Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

including Level 3 fair values, and reports directly to the controller.

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES:

A. Current and non-current classification

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

Assets:

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

- a) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realized within twelve months after the reporting date; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Assets held for sale:

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

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

Liabilities:

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

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

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

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

B. Property, plant and equipment (PPE)

PPE is recognized when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Property, plant

Notes to Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

and equipment acquired on hire purchase basis are recognized at their cash values. For qualifying assets, borrowing costs are capitalized in accordance with the Company's accounting policy. Any excess of net sale proceeds of items produced over the cost of testing, if any, is deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment.

PPE not ready for the intended use on the date of the Balance Sheet is disclosed as "Capital Work-in-Progress".

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

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

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

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Assets acquired under finance leases are depreciated on a straight line basis over the lease term. Where there is reasonable certainty that the Company shall obtain ownership of the assets at the end of the lease term, such assets are depreciated based on the useful life prescribed under Schedule II to the Companies Act, 2013 or based on the useful life adopted by the Company for similar assets.

Freehold land is not depreciated.

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

C. Depreciation and amortization:

Depreciation method, estimated useful lives and

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

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

| Assets | Useful Life estimated by the management (Based on Technical Evaluation) | Useful Life as per Schedule II of Companies Act, 2013. |
|--|---|--|
| Plant and Equipment and Electrical Installations: | | |
| (i) For Textiles | 9.19 years | 10 years |
| (ii) For Power Generation | 18 years | 40 years |

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

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

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

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

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

D. Intangible assets

Intangible assets that are acquired by the Company, that have finite useful lives, are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

Subsequent expenditures related to an item of intangible



**Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)**

assets are added to its carrying amount when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Any gains and losses on disposal of such intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

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

Amortization

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

| Intangible assets | Useful life Amortization method used |
|--------------------------|---|
| Computer software | Finite (5 years) |

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

E. Research and development expenditure on new products:

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

- E. The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- F. The Company has ability to reliably measure the expenditure attributable to the intangible asset during its development.

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

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

F. Impairment of assets

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

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

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

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

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

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

Notes to Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

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

G. Financial Instruments

i. Financial assets

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

All financial assets are recognized at fair value on initial recognition except trade receivables.

Financial assets are subsequently classified as measured at:

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

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

Derecognition

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

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on:

- Financial assets measured at amortized cost;

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

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

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

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

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

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

ii. Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual

Notes to Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit and loss.

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

Derecognition

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

iii. Offsetting financial instruments

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

iv. Derivative financial instruments and hedging activities

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

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

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both

at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items.

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

(a) Fair value hedges

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

(b) Cash flow hedges

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

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

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

H. Borrowing costs

Borrowing costs include interest expense calculated using the effective interest method (EIR), finance charges in respect of assets acquired on finance lease and exchange differences arising on foreign currency

Notes to Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

borrowings to the extent they are regarded as an adjustment to interest costs.

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

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

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

I. Income tax

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

Current tax

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

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts

used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- Temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction;
- Temporary differences related to investment in subsidiary to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets- unrecognized or recognized, are reviewed at each reporting date and are recognized /reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized.

Minimum Alternate tax ('MAT') is not recognized as a deferred tax asset as the Company is not liable for Minimum Alternate tax.

J. Inventories

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

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

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



Notes to Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

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

K. Cash and cash equivalents

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

L. Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities.

Cash flow from operating activities is reported using indirect method, adjusting the profit before tax excluding exceptional items for the effects of:

- (i) changes during the period in inventories and operating receivables and payables, transactions of a non-cash nature;
- (ii) non-cash items such as depreciation, provisions, unrealized foreign currency gains and losses; and
- (iii) all other items for which the cash effects are investing or financing cash flows. Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet

M. Foreign currency translation

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

At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognized in profit or loss in the period in which they arise except for:

- A. exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the

cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and

- B. exchange differences on transactions entered into in order to hedge certain foreign currency risks.

N. Employee benefits

i. Defined benefit obligations

(a) Post-employment benefits (Gratuity):

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

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

(b) Other employee benefits:

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

ii. Defined contribution plan:

Company pays contributions to provident fund, employee pension scheme and employee state insurance as per statutes/ amounts as advised by the Authorities. The Company has no further obligations once the contributions have been paid. The contributions are accounted for as defined contribution plan and the contributions are recognized as employee benefit expense when they are due.

iii. Short-term benefits:

Liabilities for salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of reporting period in which the employees rendered the related

Notes to Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

services are recognized in respect of employee's service up to the end of reporting period and are measured at the amount expected to be paid when the liabilities are settled. These liabilities are presented as current employee benefit obligations in the balance sheet.

O. Provision and contingent liabilities

The Company sets up a provision when there is a present legal or constructive obligation as a result of a past event and it will probably requires an outflow of resources to settle the obligation and a reliable estimate can be made. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or where reliable estimate of the obligation cannot be made. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

In case of Onerous Contracts the Company is recognizing impairment loss is any, occurred on assets used in fulfilling the contract.

P. Contingent Assets

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

Q. Revenue recognition

(i) Revenue from operations

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

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (Net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of.

A. Sale of goods

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

Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

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

B. Rendering of services

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

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

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

C. Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.



Notes to Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

(ii) Other income

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

R. Exceptional items

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

S. Government grants

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

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

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

T. Segment reporting

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

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

U. Leases

As lessee

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

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

Initial measurement

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

Subsequent measurement

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

Impairment:

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

Short term Lease or Low Value Lease

Short term lease is that, at the commencement date,

Notes to Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

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

V. Share based payment / arrangements

The stock options granted to employees in terms of the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognized as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognized as expense in respect of such grant is transferred to the general reserve within equity. The fair value of the stock options granted to employees of the Company by the Company's subsidiaries is accounted as employee compensation cost over the vesting period and where such fair value is not recovered by the subsidiaries, the same is treated as dividend declared by them. The share-based payment equivalent to the fair value as on the date of grant of employee stock options granted to key managerial personnel is disclosed as a related party transaction in the year of grant. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The stock option scheme for employees is yet to be implemented by the Company.

W. Earnings per share

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

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

X. Standards issued but not effective

The Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 01, 2023.

- I. Ind AS 107 – Financial Instrument Disclosures.
- II. Ind AS 109 – Financial Instrument
- III. Ind AS 115 - Revenue from contracts with customers
- IV. Ind AS 1 – Presentation of Financial Statements
- V. Ind AS 34 – Interim Financial Reporting

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



Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

3. PROPERTY, PLANT AND EQUIPMENT

As at 31st March 2023

(₹ in Lakhs)

| Particulars | Gross Block | | | | | Depreciation | | | | | Net Block | | |
|---------------------------|------------------------------------|--------------------------|---------------|--------------|------------------------------------|------------------------------------|--------------------------|--------------|--------------|------------------------------------|------------------------------------|------------------------------------|--|
| | As at 31 st March, 2022 | Acquired on amalgamation | Additions | Deletions | As at 31 st March, 2023 | As at 31 st March, 2022 | Acquired on amalgamation | Additions | Deletions | As at 31 st March, 2023 | As at 31 st March, 2023 | As at 31 st March, 2022 | |
| Tangible Assets | | | | | | | | | | | | | |
| Freehold land | 3,137 | | 577 | 95 | 3,619 | - | | - | - | - | 3,619 | 3,137 | |
| Building | 23,046 | | 1,349 | 5 | 24,390 | 3,982 | | 853 | - | 4,835 | 19,555 | 19,064 | |
| Plant and Machinery | 61,052 | | 8,761 | 2,231 | 67,582 | 29,263 | | 5,566 | 1,933 | 32,896 | 34,686 | 31,789 | |
| Wind Power Machines | 874 | | | | 874 | 684 | | 83 | | 767 | 107 | 190 | |
| Electric installation | 5,966 | | 2,002 | 2 | 7,966 | 3,112 | | 604 | 2 | 3,714 | 4,252 | 2,854 | |
| Water supply installation | 584 | | 13 | - | 597 | 125 | | 24 | - | 149 | 447 | 459 | |
| Furniture and fixtures | 1,455 | | 119 | - | 1,574 | 796 | | 139 | | 935 | 640 | 659 | |
| Vehicles | 1,870 | | 610 | 178 | 2,302 | 795 | | 202 | 101 | 896 | 1,406 | 1,075 | |
| Office equipments | 108 | | 34 | 4 | 138 | 61 | | 14 | 4 | 71 | 67 | 47 | |
| Computers | 513 | | 107 | - | 620 | 356 | | 73 | | 429 | 191 | 157 | |
| Leased Assets | | | | | | | | | | | | | |
| Leasehold land | 50 | | | | 50 | 6 | | 1 | - | 7 | 43 | 44 | |
| Total | 98,655 | - | 13,572 | 2,515 | 1,09,712 | 39,180 | - | 7,559 | 2,040 | 44,699 | 65,013 | 59,475 | |

As at 31st March 2022

(₹ in Lakhs)

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

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

4. RIGHT OF USE OF ASSETS

As at 31st March 2023

(₹ in Lakhs)

| Particulars | Gross Block | | | | | Depreciation | | | | | Net Block | | |
|-------------|------------------------------------|--------------------------|-----------|-----------|------------------------------------|------------------------------------|---------------------------|-----------|-----------|------------------------------------|------------------------------------|------------------------------------|--|
| | As at 31 st March, 2022 | Acquired on amalgamation | Additions | Deletions | As at 31 st March, 2023 | As at 31 st March, 2022 | Acquired on amalgamation* | Additions | Deletions | As at 31 st March, 2023 | As at 31 st March, 2023 | As at 31 st March, 2022 | |
| Building | 449 | - | - | - | 449 | 100 | - | 149 | - | 249 | 200 | 349 | |

As at 31st March 2022

(₹ in Lakhs)

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

5. CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

| | |
|---|---------------|
| Balance as at 1st April, 2021 | 881 |
| Additions | 15,744 |
| Assets Capitalised | 9,527 |
| Balance as at 31st March 2022 | 7,098 |
| Additions | 27,371 |
| Assets Capitalised | 12,797 |
| Balance as at 31st March 2023 | 21,672 |

Capital work-in-progress - Ageing

(₹ in Lakhs)

| Particulars | Amount in CWIP for a period of | | | | Total |
|--|--------------------------------|--------------|-----------|-------------------|---------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | | | | | |
| As at 31st March, 2023 | 17,491 | 4,181 | - | - | 21,672 |
| As at 31st March, 2022 | 6,165 | 809 | 119 | 5 | 7,098 |

The estimated original date of completion of "Phase II Sareri Cotton Project" has been extended from April 01, 2023 to September 30, 2023.

As on date of Balance Sheet, the estimated date of completion of projects are as below :-

| Name of Projects | Estimated date of Completion |
|---------------------------|----------------------------------|
| Cotton Project - Phase II | 30 th September, 2023 |
| Denim Project | 30 th September, 2023 |
| Weaving Project | 30 th September, 2023 |

6. INTANGIBLE ASSETS

As at 31st March 2023

(₹ in Lakhs)

| Particulars | Gross Block | | | | | Depreciation | | | | | Net Block | | |
|-------------------|------------------------------------|--------------------------|-----------|-----------|------------------------------------|------------------------------------|---------------------------|------------|-----------|------------------------------------|------------------------------------|------------------------------------|--|
| | As at 31 st March, 2022 | Acquired on amalgamation | Additions | Deletions | As at 31 st March, 2023 | As at 31 st March, 2022 | Acquired on amalgamation* | Additions | Deletions | As at 31 st March, 2023 | As at 31 st March, 2023 | As at 31 st March, 2022 | |
| Software IT (ERP) | 591 | - | 73 | - | 664 | 237 | - | 108 | - | 345 | 319 | 354 | |
| Total | 591 | - | 73 | - | 664 | 237 | - | 108 | - | 345 | 319 | 354 | |



Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

As at 31st March 2022

(₹ in Lakhs)

| Particulars | Gross Block | | | | Depreciation | | | | | Net Block | | |
|-------------------|------------------------------------|--------------------------|-----------|-----------|------------------------------------|------------------------------------|---------------------------|------------|-----------|------------------------------------|------------------------------------|------------------------------------|
| | As at 31 st March, 2021 | Acquired on amalgamation | Additions | Deletions | As at 31 st March, 2022 | As at 31 st March, 2021 | Acquired on amalgamation* | Additions | Deletions | As at 31 st March, 2022 | As at 31 st March, 2022 | As at 31 st March, 2021 |
| Software IT (ERP) | 574 | 15 | 2 | - | 591 | 119 | 9 | 109 | - | 237 | 354 | 455 |
| Total | 574 | 15 | 2 | - | 591 | 119 | 9 | 109 | - | 237 | 354 | 455 |

7. INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Lakhs)

| | |
|---|-----------|
| Balance as at 1st April, 2021 | - |
| Additions | 15 |
| Assets Capitalised | 1 |
| Balance as at 31st March 2022 | 14 |
| Additions | 18 |
| Assets Capitalised | 23 |
| Balance as at 31st March 2023 | 9 |

Intangible assets under development - Ageing

(₹ in Lakhs)

| Particulars | Amount in Intangible assets under development for a period of | | | | Total |
|--|---|-----------|-----------|-------------------|-----------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | | | | | |
| As at 31st March, 2023 | 9 | - | - | - | 9 |
| As at 31st March, 2022 | 14 | - | - | - | 14 |

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

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|---|------------------------------------|------------------------------------|
| Opening Balance | 348 | 3 |
| Financial Charges | 318 | 329 |
| Direct Costs Attributable to Project | 942 | 220 |
| Total Amount | 1,608 | 552 |
| Less: Exp. Apportioned to Property, Plant and Equipment | 718 | 204 |
| Balance yet to be allocated | 890 | 348 |

Note 1:- Borrowing cost capitalized refer Note No:- 40

Note 2:- Property, Plant and Equipment given as security for borrowings refer Note No:- 27

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

8 INVESTMENTS-NON CURRENT

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|---|---------------------------------------|---------------------------------------|
| (₹ in Lakhs) | | |
| Unquoted | | |
| In Equity Instruments | | |
| (Measured at Cost) | | |
| Unquoted, fully paid up | | |
| (i) Investment in wholly owned Subsidiary Companies | | |
| Equity Shares of ₹ 10/- each fully paid up | | |
| Sangam Venture Limited | | |
| 1,19,70,000 (Previous Year 77,00,000) | 3,922 | 770 |
| Add: Fair value of Corporate Bank Guarantee issued to the Banker of Subsidiary for secured loan obtained from it's banker | 1,011 | - |
| TOTAL | 4,933 | 770 |
| (ii) Investment - Others | | |
| Equity Shares of ₹ 10/- each fully paid up | | |
| Kaamlo Platform Private Limited | 75 | 75 |
| 49,999 (Previous Year 49,999) | | |
| PKSS Infrastructure Private Limited | - | - |
| 3,900 (Previous Year 3900) ₹ 0.39 Lakh (Previous Year ₹ 0.39 Lakh) | | |
| Less: Impairment Loss- ₹ 0.39 Lakhs (previous year NIL) | - | - |
| Kalyan Sangam Infratech Limited | 4 | 4 |
| 37500 (Previous Year 37500) | | |
| Less: Impairment Loss | (4) | - |
| Equity Shares of ₹ 20/- each fully paid | | |
| AP Mahesh Co-Operative Bank Limited | - | - |
| 50 (Previous Year 50) | | |
| ₹ 0.01 Lakh (Previous Year ₹ 0.01 Lakh) | | |
| Aggregate Amount of unquoted investments | 5,008 | 849 |

9 OTHER FINANCIAL ASSETS

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|---|---------------------------------------|---------------------------------------|
| (₹ in Lakhs) | | |
| Security Deposits (Unsecured considered good) | 3,094 | 2,649 |
| TOTAL | 3,094 | 2,649 |
| Includes deposits with related parties | 1,541 | 1,711 |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)**10 OTHER NON-CURRENT ASSETS**

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Capital Advances | 7,534 | 4,571 |
| Prepaid Expenses (Refer Note No. 44) | 2,864 | 296 |
| TOTAL | 10,398 | 4,867 |

11 INVENTORIES

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|-------------------------------------|---------------------------------------|---------------------------------------|
| Raw Materials | 14,848 | 24,042 |
| Stock-in-Process | 9,212 | 7,817 |
| Finished Goods (Refer Note No 11.3) | 24,018 | 16,202 |
| Traded Goods | 176 | 188 |
| Stores, Spares & Fuel | 2,705 | 4,548 |
| TOTAL | 50,959 | 52,797 |

11.1 For basis of valuation of Inventories, refer Note No 2 (J)**11.2** The above inventories are hypothecated against secured short term borrowings (Refer Note No 27.1)**11.3** 11.3 Finished Goods includes Goods in Transit ₹ 4,301 Lakhs , Previous year ₹ 2,112 Lakhs.**12 INVESTMENT - CURRENT**

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| Investment in Mutual fund measured at fair value through profit and loss | 686 | - |
| TOTAL | 686 | - |

13 TRADE RECEIVABLES

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| Undisputed Trade Receivables - Considered good - Unsecured | 35,236 | 37,643 |
| Undisputed Trade Receivables - Increase in Credit Risk | - | - |
| Undisputed Trade Receivables - Credit Impaired | 322 | 283 |
| | 35,558 | 37,926 |
| Less: Provision for Trade Receivables | 322 | 283 |
| TOTAL | 35,236 | 37,643 |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

13.1 For aging schedule refer Annexure 1

Annexure 1 of Note No - 13

Trade receivables aging schedule

(₹ in Lakhs)

| Particulars | Outstanding from due date of payment | | | | | | Total |
|---|--------------------------------------|---------------|-------------------|------------|------------|----------|---------------|
| | Not Due | < 6 months | 6 months - 1 year | 1-2 year | 2-3 year | > 3 year | |
| As at 31 March, 2023 | | | | | | | |
| Undisputed Trade receivables – considered good | | 34,343 | 665 | 207 | 21 | | 35,236 |
| Undisputed Trade Receivables – which have significant increase in credit risk | | | | | | | - |
| Undisputed Trade Receivables – credit impaired | | | | 112 | 201 | 9 | 322 |
| Disputed Trade receivables – considered good | | | | | | | - |
| Disputed Trade Receivables – which have significant increase in credit risk | | | | | | | - |
| Disputed Trade Receivables – credit impaired | | | | | | | - |
| Total | - | 34,343 | 665 | 319 | 222 | 9 | 35,558 |

(₹ in Lakhs)

| Particulars | Outstanding from due date of payment | | | | | | Total |
|---|--------------------------------------|---------------|-------------------|------------|-----------|-----------|---------------|
| | Not Due | < 6 months | 6 months - 1 year | 1-2 year | 2-3 year | > 3 year | |
| Undisputed Trade receivables – considered good | - | 35,642 | 1,464 | 515 | 22 | - | 37,643 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed Trade Receivables – credit impaired | - | - | - | 220 | 33 | 30 | 283 |
| Disputed Trade receivables – considered good | - | - | - | - | - | - | - |
| Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| Total | - | 35,642 | 1,464 | 735 | 55 | 30 | 37,926 |

13.2 Included in the above Receivables amount due from wholly owned subsidiary company

- 49

13.3 Above Trade Receivables are hypothecated against secured short term borrowings (Refer Note No. 27.1)

- -

14 CASH & CASH EQUIVALENTS

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|------------------------------------|---------------------------------------|---------------------------------------|
| CASH & CASH EQUIVALENTS | 7 | 6 |
| Balance with Banks | 9 | 3 |
| Cash on Hand | 16 | 9 |
| TOTAL | | |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)**15 BANK BALANCES OTHER THAN (III) ABOVE**

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| Earmarked Balances with banks for Unclaimed & Unpaid Dividends | 20 | 23 |
| Fixed Deposits with banks against Margin Money* | 2,757 | 2,094 |
| TOTAL | 2,777 | 2,117 |

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

16 OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| (Unsecured considered good) | | |
| Security Deposits | 800 | 311 |
| Recoverable from NHAI UP Towards Arbitration Award (Refer Note No. 48) | 1,210 | 1,367 |
| Export Incentive Receivable | 897 | 1,306 |
| Export Growth Entitlement Receivables | 356 | 408 |
| GST Refund Receivable | 1,000 | 1,166 |
| Subsidy Receivable | 294 | 1,090 |
| Advances for Expenses | 20 | 20 |
| Less : Allowances for Advances | (20) | (20) |
| Inter Corporate Deposits - Unsecured | - | - |
| Usage receivable (Utility Services) | 28 | - |
| Advance to Employees | 118 | 112 |
| Interest Receivable | 216 | 267 |
| Accrued Income | 11 | 29 |
| Insurance Claim Receivable | 338 | 1 |
| TOTAL | 5,268 | 6,057 |

17 CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| Advance tax, TDS, TCS etc including Refund receivables (Net of provisions) | 700 | - |
| TOTAL | 700 | - |

18 OTHER CURRENT ASSETS

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| Recoverable from others | 3 | 56 |
| Advance to Employees (For Expenses) | (4) | - |
| Advance against Supplies | 3,188 | 2,141 |
| SIL Employees welfare trust (Refer Note No.50) | 105 | - |
| GST Balances | 5,827 | 4,403 |
| GST / Excise / VAT Recoverable | 21 | 66 |
| Prepaid Expenses | 750 | 506 |
| TOTAL | 9,890 | 7,172 |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

19 ASSETS FOR SALE

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|-------------------|---------------------------------------|---------------------------------------|
| Plant & Machinery | - | 776 |
| Total | - | 776 |

The Company had shut down its 15MW thermal power plant, during the previous year ended 31st March, 2022 pursuant to which the Company had classified the same as held for sale. The Plant had been carried at its fair value less cost to sales as its fair value was less than carrying amount in accordance with Ind AS 105 "Non-current assets held for sale". The Company has completed the sale during the year.

20 EQUITY SHARE CAPITAL

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| a. Authorised Share Capital: | | |
| 6,40,00,000 (Previous Year 6,40,00,000) Equity share of ₹ 10 each | 6,400 | 6,400 |
| TOTAL | 6,400 | 6,400 |
| Issued, Subscribed and Paid Up: | | |
| 4,50,46,559 (Previous Year 4,34,21,559) Equity share of ₹ 10 each fully paid up | 4,505 | 4,342 |
| TOTAL | 4,505 | 4,342 |
| 1. During the year 11,25,000 equity shares of ₹10/- each were issued as fully paid up sweat equity shares to the promoters/ directors without payment being received in cash perusing to contracts, at a premium of ₹ 327.18 each per share as per the shareholders' approval in the extra ordinary general meeting held on July 16, 2022. | 113 | - |
| 2. 500000 Shares warrants were converted into equity shares in accordance with SEBI guidelines on the exercise of options by the warrant holder on date September 28, 2022 | 50 | - |

b. Terms and Rights attached to Equity Shares

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

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|---|---------------------------------------|---------------------------------------|
| c. Reconciliation of number of shares outstanding at the beginning and end of the year : | | |
| No. of Shares at the beginning | 4,34,21,559 | 4,34,21,559 |
| Add: Shares Issued During the year | | |
| (i) For consideration received in Cash on conversion of share warrants | 5,00,000 | - |
| (ii) For issuing shares without payment being received in Cash (Sweat Equity Shares) | 11,25,000 | - |
| No. of Shares at the year end | 4,50,46,559 | 4,34,21,559 |



Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

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

| Name of the Shareholder | As at 31 st March, 2023 | | As at 31 st March, 2022 | |
|--|------------------------------------|--------|------------------------------------|--------|
| | No. of Shares | % held | No. of Shares | % held |
| Sangam E-Com Limited | 87,67,542 | 19.46 | 78,73,087 | 18.13 |
| Authum Investment and Infrastructure Limited | 52,78,597 | 11.72 | 52,35,010 | 12.06 |
| Nidhi Mercantiles Limited | 38,28,868 | 8.50 | 38,28,868 | 8.82 |
| Anurag Soni | 38,38,665 | 8.52 | 38,38,665 | 8.84 |
| Hawamahal Finance Private Limited | 23,35,500 | 5.18 | 23,35,500 | 5.38 |
| Sangam Fincap Limited | - | - | 22,16,145 | 5.10 |

e. Share reserved for issue under option and Contracts or Commitments for the sale of share or disinvestment, including the terms and amount

(₹ in Lakhs)

| Equity shares reserved out of unissued Equity Share Capital | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| (i) For issue to eligible employees under the Employees Share Option Scheme 2022 (ESOP 2022) | | |
| ESOPs granted and outstanding | | |
| (a) No. of equity shares to be issued as fully paid up | 10,00,000 | 10,00,000 |
| (b) Amount in ₹ (Face Value per Equity Share) | 10 | 10 |
| (ii) For conversion of share warrants issued to be converted within 18 months from the date of issue i.e. 13th December, 2021 at the option of share warrant holders * | | |
| (a) No. of equity shares to be issued as fully paid up | 52,00,000 | 57,00,000 |
| (b) Amount in ₹ (Face Value per Equity Share) | 10 | 10 |

*For terms & conditions refer Note No 22

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| f. For the period of five years immediately preceding the date at which the Balance Sheet is prepared | - | - |
| 1. Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash; | - | - |
| 2. Aggregate number and class of shares allotted as fully paid up by way of bonus shares; | - | - |
| 3. Aggregate number and class of shares bought back; | - | - |

g. Detail of Shares held by Promoter and Promoters group

As at 31st March 2023

| | No. of Shares as at 31 st March, 2023 | No. of Shares as at 31 st March, 2022 | % of total share as at 31 st March, 2023 | % change during the year |
|------------------------|--|--|---|-----------------------------|
| Ram Pal Soni HUF | 2,48,300 | 2,48,300 | 0.55% | 0.0% |
| Anjana Soni Thakur | 2,03,750 | 2,03,750 | 0.45% | 0.0% |
| Radhadevi Soni | 7,77,761 | 7,77,761 | 1.73% | 0.0% |
| Mamta Modani | 5,05,404 | 5,05,404 | 1.12% | 0.0% |
| Archana Sodani | 4,60,774 | 4,60,774 | 1.02% | 0.0% |
| Antima Soni | 2,46,050 | 2,46,050 | 0.55% | 0.0% |
| Anurag Soni | 38,38,665 | 38,38,665 | 8.52% | 0.0% |
| Ram Pal Soni | 14,53,950 | 14,53,950 | 3.23% | 0.0% |
| Shri Niwas Modani | 4,99,779 | 4,99,779 | 1.11% | 0.0% |
| Vinod Kumar Sodani | 6,25,000 | - | 1.39% | 100% |
| Pranal Modani | 5,00,000 | - | 1.11% | 100% |
| Vinod Kumar Sodani HUF | 5,000 | 5,000 | 0.01% | 0% |
| Promoters (A) | 93,64,433 | 82,39,433 | 20.79% | |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

| | No. of Shares as at 31 st March, 2023 | No. of Shares as at 31 st March, 2022 | % of total share as at 31 st March, 2023 | % change during the year |
|--|--|--|---|-----------------------------|
| Finworth Investment Private Limited | - | 4,75,260 | 0.00% | -100% |
| Hawamahal Finance Private Limited | 23,35,500 | 23,35,500 | 5.18% | 0% |
| Necco Shipping Company Private Limited | 12,74,744 | 12,74,744 | 2.83% | 0% |
| Nikita Credits Private Limited | - | 3,58,200 | 0.00% | -100% |
| Neelgagan Commercial Company Limited | 14,00,000 | 14,00,000 | 3.11% | 0% |
| Scorpio Credits Private Limited | - | 5,36,255 | 0.00% | -100% |
| Sarvodaya Holdings Private Limited | 11,27,771 | 11,27,771 | 2.50% | 0% |
| Sangam Granite Private Limited | - | 1,20,815 | 0.00% | -100% |
| Sangam Fincap Limited | 22,16,145 | 22,16,145 | 4.92% | 0% |
| Sahyog Finance Limited | 2,32,750 | 2,32,750 | 0.52% | 0% |
| Sangam Suiting Private Limited | 11,12,685 | 2,63,670 | 2.47% | 322% |
| Park View Investment Private Limited | - | 2,26,065 | 0.00% | -100% |
| Nidhi Mercantiles Limited | 38,28,868 | - | 8.50% | 100% |
| Sangam E Com Limited | 87,67,542 | 78,73,087 | 19.46% | 11% |
| Promoters Group (B) | 2,22,96,005 | 1,84,40,262 | 49.50% | |
| Promoters & Promoters Group (A+B) | 3,16,60,438 | 2,66,79,695 | 70.28% | |

As at 31st March 2022

| | No. of Shares as at 31 st March, 2022 | No. of Shares as at 31 st March, 2021 | % of total share as at 31 st March, 2022 | % change during the year |
|--|--|--|---|-----------------------------|
| Ram Pal Soni HUF | 2,48,300 | 2,48,300 | 0.57% | 0% |
| Anjana Soni Thakur | 2,03,750 | 2,03,750 | 0.47% | 0% |
| Radhadevi Soni | 7,77,761 | 7,77,761 | 1.79% | 0% |
| Mamta Modani | 5,05,404 | 5,05,404 | 1.16% | 0% |
| Archana Sodani | 4,60,774 | 4,60,774 | 1.06% | 0% |
| Antima Soni | 2,46,050 | 2,46,050 | 0.57% | 0% |
| Anurag Soni | 38,38,665 | 37,10,397 | 8.84% | 3% |
| Ram Pal Soni | 14,53,950 | 14,53,950 | 3.35% | 0% |
| Shri Niwas Modani | 4,99,779 | 4,99,779 | 1.15% | 0% |
| Vinod Kumar Sodani (HUF) | 5,000 | - | 0.01% | 100% |
| Badari Lal Rampal Soni HUF | - | 1,28,268 | 0.00% | 100% |
| Promoters (A) | 82,39,433 | 82,34,433 | 18.98% | |
| Finworth Investment Private Limited | 4,75,260 | 4,75,260 | 1.09% | 0% |
| Hawamahal Finance Private Limited | 23,35,500 | 23,35,500 | 5.38% | 0% |
| Necco Shipping Company Private Limited | 12,74,744 | 2,82,450 | 2.94% | 351% |
| Nikita Credits Private Limited | 3,58,200 | 3,58,200 | 0.82% | 0% |
| Neelgagan Commercial Company Limited | 14,00,000 | 14,00,000 | 3.22% | 0% |
| Scorpio Credits Private Limited | 5,36,255 | 5,36,255 | 1.23% | 0% |
| Sarvodaya Holdings Private Limited | 11,27,771 | 11,27,771 | 2.60% | 0% |
| Sangam Granite Private Limited | 1,20,815 | 1,20,815 | 0.28% | 0% |
| Sangam Fincap Limited | 22,16,145 | 22,16,145 | 5.10% | 0% |
| Sahyog Finance Limited | 2,32,750 | 2,32,750 | 0.54% | 0% |
| Sangam Suiting Private Limited | 2,63,670 | 2,63,670 | 0.61% | 0% |
| Park View Investment Private Limited | 2,26,065 | 2,26,065 | 0.52% | 0% |
| Sangam E Com Limited | 78,73,087 | 78,73,087 | 18.13% | 0% |
| Promoters Group (B) | 1,84,40,262 | 1,74,47,968 | 42.47% | |
| Promoters & Promoters Group (A+B) | 2,66,79,695 | 2,56,82,401 | 61.44% | |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)**21 OTHER EQUITY**

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|---------------------------------------|---------------------------------------|---------------------------------------|
| Capital Reserve | | |
| Balance at the beginning of the year | 297 | 297 |
| Addition during the Financial Year | - | - |
| Balance at the end of the year | 297 | 297 |
| Securities Premium | | |
| Balance at the beginning of the year | 7,468 | 7,468 |
| Addition during the Financial Year * | 4,531 | - |
| Balance at the end of the year | 11,999 | 7,468 |

*Includes Share Premium ₹ 3681 Lakhs (Previous Year ₹ NIL) on Sweat Equity Share issued as equity settled Share Based Payment

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| Preference Share Capital Redemption Reserve | | |
| Balance at the beginning of the year | 1,178 | 1,178 |
| Addition during the Financial Year | - | - |
| Balance at the end of the year | 1,178 | 1,178 |
| General Reserve | | |
| Balance at the beginning of the year | 22,818 | 22,818 |
| Balance at the end of the year | 22,818 | 22,818 |
| Retained Earnings | | |
| Balance at the beginning of the year | 32,947 | 19,834 |
| Add: Profit for the year | 13,454 | 14,093 |
| Add: Other comprehensive income/(loss) for the year | 80 | 123 |
| Less: On account of merger of subsidiary company (Refer Note No. 45 (a)) | - | (597) |
| Less: On account of merger of subsidiary company (Refer Note No. 45 (b)) | - | (71) |
| Less: Appropriations | | |
| Transferred to General Reserve | - | - |
| Dividend on Equity Shares (Refer Note No.21.6) | 891 | 435 |
| Balance at the end of the year | 45,590 | 32,947 |
| Other Comprehensive Income | | |
| Balance at the beginning of the year | 6 | 25 |
| Addition during the year | 8 | (19) |
| Balance at the end of the year | 14 | 6 |
| TOTAL | 81,895 | 64,714 |

Nature and Purpose of Other Reserves / Other Equity**21.1 Capital Reserve**

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

21.2 Securities Premium

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

Notes to Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

21.3 Preference Share Capital Redemption Reserve

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

21.4 General Reserve

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

21.5 Remeasurement of defined benefit plans

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

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

21.6 Dividend

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

| Particulars | (₹ in Lakhs) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2023 | As at 31 st March, 2022 |
| Dividend for the year ended 31 st March, 2022 ₹ 2 per share (Previous year 31 st March, 2021 ₹ 1 per share) | 891 | 435 |
| TOTAL | 891 | 435 |

22 SHARE WARRANTS

| | (₹ in Lakhs) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2023 | As at 31 st March, 2022 |
| Balance at the beginning of the year | 2,565 | - |
| Add:- Issued during the year * | - | 2,565 |
| Less:- Converted into fully paid Equity Share during the year ** | 225 | - |
| Balance at the end of the year | 2,340 | 2,565 |

*The Company had issued 57,00,000 Share warrants of ₹ 180 each having a face value of ₹ 10 each in accordance with SEBI guidelines and had received 25% upfront money amounting to ₹ 2,565 Lakhs during the year ended 31st March, 2022. These share warrants are to be converted into one equity share of ₹ 10 each (face value) fully paid up within 18 months from the date of issue i.e. December 13, 2021 on the exercise of option by the warrant holders.

**During the year ended 31st March, 2023, one of the warrant holders has exercised the option to convert 500,000 share warrants after making the payment of the balance 75% amount due on these warrants.

23 BORROWINGS

| | (₹ in Lakhs) | |
|------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2023 | As at 31 st March, 2022 |
| Secured | | |
| Term Loans From Banks | | |
| Rupee Loans | 31,787 | 17,617 |
| Vehicle Loans | 579 | 438 |
| TOTAL | 32,366 | 18,055 |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

- 23.1** All Term Loans from banks (including current maturities) except vehicle loan are secured by a joint equitable mortgage by deposit of title deeds in respect of all immovable properties and first hypothecation of the entire moveable properties of the Company, both present and future (save and except book debts) subject to prior charges created/to be created in favour of bankers for securing working capital borrowing, ranking pari-passu with the charges created / to be created in favour of other participating bankers. The above Term Loans are further secured by personal guarantee of directors of the Company.
- 23.2** Vehicle Loans (including current maturities) are secured by hypothecation of respective vehicle(s)
- 23.3** There is no default in repayment or interest of any loans on due dates.

As at 31st March, 2023**A) A) Floating Rate-Carrying Floating interest rate MCLR+ 0.75% to 3.90%**

(₹ in Lakhs)

| Date of maturity | as on 31 st March 2023 | | | |
|------------------------|-----------------------------------|--------------------|------------------|--|
| | Total Outstanding | Long Term Maturity | Current Maturity | Instalments due after 31 st March, 2023 (Qtrly) |
| (a) From Banks: | | | | |
| 20 March 2024 | 600 | - | 600 | 4 |
| 30 June 2024 | 1,000 | 200 | 800 | 5 |
| 01 July 2025 | 2,336 | 1,607 | 729 | 9 |
| 30 June 2026 | 6,115 | 4,315 | 1,800 | 13 |
| 01 October 2028 | 1,789 | 1,620 | 169 | 22 |
| 01 January 2031 | 5,174 | 5,099 | 75 | 31 |
| Sub Total (A) | 17,014 | 12,841 | 4,173 | |

B) Carrying interest rate 1 yr MCLR)

(₹ in Lakhs)

| Date of maturity | Outstanding as on 31 st March 2023 | | | |
|------------------------|---|--------------------|------------------|--|
| | Total Outstanding | Long Term Maturity | Current Maturity | Instalments due after 31 st March, 2023 (Monthly) |
| (a) From Banks: | | | | |
| 01 January 2032 | 1,196 | 1,196 | - | 32 |
| 31 March 2032 | 4,065 | 4,065 | - | 32 |
| Sub Total (B) | 5,261 | 5,261 | - | |

C) Carrying interest rate 1 yr MCLR+0.15 to 0.70%)

(₹ in Lakhs)

| Date of maturity | Outstanding as on 31 st March 2023 | | | |
|------------------------|---|--------------------|------------------|---|
| | Total Outstanding | Long Term Maturity | Current Maturity | Instalments due after 31 st March 2023 (Monthly) |
| (a) From Banks: | | | | |
| 01 January 2031 | 5,000 | 4,450 | 550 | 32 |
| 01 January 2032 | 974 | 974 | - | 32 |
| 01 January 2032 | 8,037 | 8,037 | - | 32 |
| 31 March 2032 | 224 | 224 | - | 32 |
| Sub Total (C) | 14,235 | 13,685 | 550 | |
| Total (A+B+C) | 36,510 | 31,787 | 4,723 | |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

D) Vehicle Loans from Banks

Carrying Fixed interest rate 6.85% to 10.01%

(₹ in Lakhs)

| Date of maturity | Outstanding as on 31 st March 2023 | | | |
|------------------------|---|--------------------|------------------|---|
| | Total Outstanding | Long Term Maturity | Current Maturity | Instalments due after 31 st March 2022 (Monthly) |
| From Banks | 847 | 577 | 270 | 2-70 |
| Sub Total ('D) | 847 | 577 | 270 | |
| Total (A+B+C+D) | 37,357 | 32,364 | 4,993 | |

As at 31st March, 2022

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

(₹ in Lakhs)

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

B) Carrying interest rate 1 yr MCLR)

(₹ in Lakhs)

| Date of maturity | Outstanding as on 31 st March 2022 | | | |
|------------------------|---|--------------------|------------------|---|
| | Total Outstanding | Long Term Maturity | Current Maturity | Instalments due after 31 st March 2022 (Monthly) |
| (a) From Banks: | | | | |
| 31 July 2022 | 454 | - | 454 | - |
| Sub Total (B) | 454 | - | 454 | |

C) Carrying interest rate 1 yr MCLR+0.50%)

(₹ in Lakhs)

| Date of maturity | Outstanding as on 31 st March 2022 | | | |
|------------------------|---|--------------------|------------------|---|
| | Total Outstanding | Long Term Maturity | Current Maturity | Instalments due after 31 st March 2022 (Monthly) |
| (a) From Banks: | | | | |
| 31 July 2022 | 348 | - | 348 | - |
| Sub Total (C) | 348 | - | 348 | |
| Total (A+B+C) | 23,629 | 17,617 | 6,012 | |

D) Vehicle Loans from Banks

Carrying Fixed interest rate 6.85% to 10.01%

(₹ in Lakhs)

| Date of maturity | Outstanding as on 31 st March 2022 | | | |
|------------------------|---|--------------------|------------------|---|
| | Total Outstanding | Long Term Maturity | Current Maturity | Instalments due after 31 st March 2022 (Monthly) |
| From Banks | 606 | 438 | 168 | 2-70 |
| Sub Total ('D) | 606 | 438 | 168 | |
| Total (A+B+C+D) | 24,235 | 18,055 | 6,180 | |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)**24 LEASE LIABILITY**

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|-------------------------------------|---------------------------------------|---------------------------------------|
| Lease Liability (Refer Note No. 57) | 57 | 219 |
| TOTAL | 57 | 219 |

25 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|---|---------------------------------------|---------------------------------------|
| Value of Corporate Financial Guarantee* | 1,011 | - |
| TOTAL | 1,011 | - |

*Corporate guarantee given on behalf of the Subsidiary Company

26 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| Deferred Tax Assets | | |
| Accrued expenses allowable on payment basis | 714 | 237 |
| Allowance for Bad & Doubtful Debts | 81 | 71 |
| Total (A) | 795 | 308 |
| Deferred Tax Liabilities | | |
| Related to Property, Plant and Equipment and Intangible Assets | 4,049 | 4,078 |
| Others | - | 16 |
| Total (B) | 4,049 | 4,094 |
| Deferred Tax Liabilities (Net) - (B)-(A) | 3,254 | 3,786 |

(₹ in Lakhs)

| A. Movement in deferred tax balances | As at 31 st March, 2022 | Recognised in P&L | Recognised in OCI | As at 31 st March, 2023 |
|--|---------------------------------------|----------------------|----------------------|---------------------------------------|
| (a) Deferred Tax Assets | | | | |
| Accrued expenses allowable on payment basis | 237 | 504 | (27) | 714 |
| Allowance for Bad & Doubtful Debts | 71 | 10 | - | 81 |
| Sub-Total (a) | 308 | 514 | (27) | 795 |
| (b) Deferred Tax Liabilities | | | | |
| Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortization for financial reporting | 4,078 | (30) | - | 4,049 |
| Fair value changes on derivatives designated as cash flow hedges | 16 | (19) | 3 | - |
| Sub-Total (b) | 4,094 | (49) | 3 | 4,049 |
| Deferred Tax Liabilities (Net) (b)-(a) | 3,786 | (563) | 30 | 3,254 |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

(₹ in Lakhs)

| Movement in deferred tax balances | As at 31 st March, 2021 | Recognised in P&L | Recognised in OCI | As at 31 st March, 2022 |
|--|------------------------------------|-------------------|-------------------|------------------------------------|
| (a) Deferred Tax Assets | | | | |
| Accrued expenses allowable on payment basis | 715 | (437) | (41) | 237 |
| Allowance for Bad & Doubtful Debts | 106 | (35) | - | 71 |
| Sub-Total (a) | 821 | (472) | (41) | 308 |
| (b) Deferred Tax Liabilities | | | | |
| Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortization for financial reporting | 6,183 | (2,105) | - | 4,078 |
| Fair value changes on derivatives designated as cash flow hedges | 13 | 9 | (6) | 16 |
| Sub-Total (b) | 6,196 | (2,096) | (6) | 4,094 |
| MAT Credit Entitlement | | | | |
| MAT Credit Earlier Year | 246 | (235) | - | - |
| MAT Credit Current Year | - | - | - | - |
| Sub-Total (c) | 246 | (235) | - | - |
| Deferred Tax Liabilities (Net) (b)-(a)-(c) | 5,129 | (1,389) | 35 | 3,786 |

Amounts recognised in profit or loss

(₹ in Lakhs)

| B. Current tax expense | For the Year Ended 31 st March, 2023 | For the Year Ended 31 st March, 2022 |
|---|---|---|
| Current Year | 3,920 | 5,304 |
| Earlier Years | (662) | 429 |
| | 3,258 | 5,733 |
| Deferred tax expense | | |
| Origination and reversal of temporary differences | (563) | (1,389) |
| | (563) | (1,389) |
| Total Tax Expense | 2,695 | 4,344 |

(₹ in Lakhs)

| C. Amounts recognised in Other Comprehensive Income | For the Year Ended 31 st March, 2023 | | |
|--|---|------------------------|------------|
| | Before tax | Tax (Expense) / Income | Net of tax |
| Remeasurements of defined benefit liability | 107 | (27) | 80 |
| Fair value changes on derivatives designated as cash flow hedges | 11 | (3) | 8 |
| TOTAL | 118 | (30) | 88 |

(₹ in Lakhs)

| | For the Year Ended 31 st March, 2022 | | |
|--|---|------------------------|------------|
| | Before tax | Tax (Expense) / Income | Net of tax |
| Remeasurements of defined benefit liability | 164 | (41) | 123 |
| Fair value changes on derivatives designated as cash flow hedges | (25) | 6 | (19) |
| | 139 | (35) | 104 |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

(₹ in Lakhs)

| D. The income tax expenses for the year reconciled to the accounting profit as follows : | 2022-23 | 2021-22 |
|--|--------------|----------------|
| Profit Before Tax | 16,149 | 18,437 |
| Applicable Tax Rate | 25.17% | 25.17% |
| Computed Tax Expense | 4,065 | 4,641 |
| Tax effect of : | | |
| Exempted income / Items Considered Separately | 69 | - |
| Expenses Disallowed | 2,447 | 875 |
| Additional Allowances | (2,661) | (212) |
| Current Tax Provision (A) | 3,920 | 5,304 |
| Incremental Deferred Tax Liability on account of Tangible and Intangible Assets | (563) | (1,389) |
| Taxes recognized in Statement of Profit & Loss (B) | (563) | (1,389) |
| Net Taxes (A+B) | 3,357 | 3,915 |
| Effective Tax Rate | 20.79% | 21.23% |

27 BORROWINGS

| | 2022-23 | 2021-22 |
|---|---------------|---------------|
| Secured | | |
| Loans Repayable on Demand from Banks | | |
| Rupee Loans | 33,836 | 10,698 |
| Foreign Currency Loans | 9,591 | 25,737 |
| Current maturities of long term debts | 4,993 | 6,179 |
| TOTAL | 48,420 | 42,614 |

27.1 Borrowings from Banks for working capital are secured by hypothecation of inventories and charge on book debts both present and future and second charge on all the immovable and moveable Property, Plant & Equipment's of the Company. The above borrowing are further secured by personal guarantee of directors of the Company. There is no default in repayment or interest of any loans on due dates.

27.2 Rupee Loans carry floating interest rate from 7.50% to 10.50% per annum, computed monthly.

27.3 Foreign Currency Loans carry floating interest rate LIBOR+1.30 to 4.30% per annum, computed monthly.

28 LEASE LIABILITY

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|-------------------------------------|---------------------------------------|---------------------------------------|
| Lease Liability (Refer Note No. 57) | 162 | 143 |
| TOTAL | 162 | 143 |

29 TRADE PAYABLES (INCLUDE ACCEPTANCES)

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| Total outstanding dues of Micro enterprises and Small enterprises (Refer Note No. 51) | 1,175 | 1,128 |
| Total outstanding dues of creditors other than micro enterprises and Small enterprises | 5,650 | 12,242 |
| Acceptances* | 15,590 | 15,370 |
| TOTAL | 22,415 | 28,740 |

*Acceptances are arrangements where operational suppliers of goods and services are initially paid by banks/ financial institutions while the Company continues to recognize the liability till settlement with the banks/financial institutions, which are normally affected within a period of 120 days.

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

29.1 For aging schedule refer annexure 2

Annexure 2 of Note No - 29

Trade payables aging schedule

(₹ in Lakhs)

| Particulars | Outstanding from due date of payment | | | | | |
|--|--------------------------------------|---------------|------------|-----------|-----------|---------------|
| | Unbilled | < 1 year | 1-2 year | 2-3 year | > 3 year | Total |
| As at 31 March, 2023 | | | | | | |
| Undisputed; | | | | | | |
| Total outstanding dues of micro enterprises and small enterprises | | 1,175 | | | | 1,175 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 710 | 20,342 | 115 | 53 | 20 | 21,240 |
| Disputed; | | | | | | - |
| Total | 710 | 21,517 | 115 | 53 | 20 | 22,415 |

(₹ in Lakhs)

| Particulars | Outstanding from due date of payment | | | | | |
|--|--------------------------------------|---------------|------------|------------|----------|---------------|
| | Unbilled | < 1 year | 1-2 year | 2-3 year | > 3 year | Total |
| As at 31 March 2022 | | | | | | |
| Undisputed; | | | | | | |
| Total outstanding dues of micro enterprises and small enterprises | - | 1,128 | - | - | - | 1,128 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 670 | 26,349 | 440 | 148 | 5 | 27,612 |
| Disputed; | - | - | - | - | - | - |
| Total | 670 | 27,477 | 440 | 148 | 5 | 28,740 |

29.2 Included in the above Payable amount due to wholly owned subsidiary company

30 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| Interest accrued but not due on borrowings | 89 | 58 |
| Unpaid Dividends # | 20 | 22 |
| Creditors for Capital Expenditure* | 964 | 1,800 |
| Security Deposit | 544 | 504 |
| Liability towards Staff and Workers | 2,153 | 2,132 |
| Commission Payable on Sales | 1,653 | 1,878 |
| Liabilities for Expenses \$ | 5,199 | 6,598 |
| TOTAL | 10,622 | 12,992 |

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

* Included in the above amount due to Relatives of Key Managerial Persons

\$ Include total outstanding dues of micro enterprises and small enterprises

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)**31 OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--------------------------|---------------------------------------|---------------------------------------|
| Advance from Customers | 816 | 1,202 |
| Liabilities for Expenses | 40 | 67 |
| Statutory Dues | 1,020 | 504 |
| TOTAL | 1,876 | 1,773 |

32 CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|---|---------------------------------------|---------------------------------------|
| Income tax payable (Net-off taxes paid) | - | 384 |
| TOTAL | - | 384 |

33 PROVISIONS

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--------------------------------|---------------------------------------|---------------------------------------|
| Provision for Gratuity | 2,133 | 1,796 |
| Provision for Leave Encashment | 189 | 103 |
| TOTAL | 2,322 | 1,899 |

34 REVENUE FROM OPERATIONS

(₹ in Lakhs)

| | 2022-23 | 2021-22 |
|--|-----------------|-----------------|
| Sale of Products/ Income from Services | 2,71,530 | 2,43,776 |
| TOTAL | 2,71,530 | 2,43,776 |

(₹ in Lakhs)

| PARTICULARS OF SALE OF PRODUCTS/SERVICES | 2022-23 | 2021-22 |
|---|-----------------|-----------------|
| a) Sale of Products | | |
| Finished Goods | 2,51,432 | 2,23,554 |
| Traded Goods | 4,740 | 8,001 |
| TOTAL | 2,56,172 | 2,31,555 |
| b) Sale of Services | | |
| Job Processing | 9,764 | 7,037 |
| TOTAL | 9,764 | 7,037 |
| c) Other Operating Revenues | | |
| Sale of Waste | 2,211 | 1,597 |
| Export Benefits / Incentives | 3,383 | 3,587 |
| TOTAL | 5,594 | 5,184 |
| TOTAL (a+b+c) | 2,71,530 | 2,43,776 |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

35 OTHER INCOME

| | (₹ in Lakhs) | |
|--|--------------|------------|
| | 2022-23 | 2021-22 |
| Interest Income on Financial Assets at amortized cost | | |
| from Customers | 233 | 238 |
| from Others | 345 | 179 |
| Other Non-Operating Income | | |
| Insurance Claim | 358 | 3 |
| Rent | 32 | 57 |
| Net Gain on Foreign Currency Fluctuation | - | 72 |
| Profit on Sale of Property, Plant & Equipment (Net) | 722 | 121 |
| Miscellaneous Receipts | 57 | 46 |
| TOTAL | 1,747 | 716 |

36 COST OF MATERIALS CONSUMED

| | (₹ in Lakhs) | |
|---------------------------------|-----------------|-----------------|
| | 2022-23 | 2021-22 |
| Raw Material Consumed | 1,45,133 | 1,23,792 |
| Consumption of Dyes & Chemicals | 12,699 | 9,691 |
| TOTAL | 1,57,832 | 1,33,483 |

37 PURCHASES OF STOCK IN TRADE

| | (₹ in Lakhs) | |
|------------------------------------|--------------|--------------|
| | 2022-23 | 2021-22 |
| Stock in Trade – Yarn | 71 | 811 |
| Stock in Trade – Fabric | 4,848 | 2,969 |
| Stock in Trade – Seamless Garments | 155 | 696 |
| TOTAL | 5,074 | 4,476 |

38 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

| | (₹ in Lakhs) | |
|---|----------------|----------------|
| | 2022-23 | 2021-22 |
| Inventories at the end of the year | | |
| Finished Goods | 24,019 | 16,202 |
| Work-in-Progress | 9,212 | 7,818 |
| | 33,231 | 24,020 |
| Inventories at the beginning of the year | | |
| Finished Goods | 16,202 | 13,197 |
| Work-in-Progress | 7,818 | 7,256 |
| | 24,020 | 20,453 |
| (INCREASE) / DECREASE IN INVENTORY | (9,211) | (3,567) |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)**39 EMPLOYEE BENEFITS EXPENSE**

(₹ in Lakhs)

| | 2022-23 | 2021-22 |
|---|---------------|---------------|
| Salaries and Wages [^] | 21,180 | 18,614 |
| Contribution to Provident and Other Funds | 1,550 | 1,327 |
| Staff Welfare Expenses | 351 | 154 |
| TOTAL | 23,081 | 20,095 |

[^]Excludes ₹ 1,075 Lakhs considered under Exceptional Items (Refer Note No -44)**40 FINANCE COSTS**

(₹ in Lakhs)

| | 2022-23 | 2021-22 |
|--|--------------|--------------|
| Interest Expenses | 4,761 | 4,292 |
| Other Borrowing Costs | 600 | 488 |
| TOTAL | 5,361 | 4,780 |
| Net of interest Capitalized (Refer note no. 3) | 291 | 31 |
| Net of interest Subsidy (TUF /RIPS) | 313 | 360 |

41 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

| | 2022-23 | 2021-22 |
|---|--------------|--------------|
| Depreciation on Tangible Assets and Right of Use Assets | 7,709 | 6,925 |
| Amortization of Intangible Assets | 108 | 109 |
| TOTAL | 7,817 | 7,034 |

42 POWER & FUEL

(₹ in Lakhs)

| | 2022-23 | 2021-22 |
|-------------------------|---------------|---------------|
| Power and Fuel Expenses | 30,204 | 24,539 |
| TOTAL | 30,204 | 24,539 |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

43 OTHER EXPENSES

(₹ in Lakhs)

| | 2022-23 | 2021-22 |
|--|---------------|---------------|
| A. Manufacturing Expenses | | |
| Stores & Spares Consumed | 4,302 | 3,950 |
| Packing Material Consumed | 3,209 | 2,930 |
| Processing and Job Charges | 6,467 | 3,365 |
| Repairs To : Plant & Machinery | 468 | 473 |
| Repairs To : Building | 225 | 76 |
| Repairs To : Others | 69 | 54 |
| Misc. Manufacturing Expenses | 2,648 | 2,313 |
| Sub Total (A) | 17,388 | 13,161 |
| B. Administrative Expenses | | |
| Rent (including short term lease rent) | 179 | 184 |
| Rates & Taxes | 143 | 180 |
| Payments to Auditors : Statutory Audit Fees | 30 | 19 |
| For Certifications (₹ 0.29 Lakhs) | 0 | - |
| Reimbursement of Expenses | 2 | 1 |
| Cost Audit Fees | 1 | 1 |
| Insurance Premium | 698 | 539 |
| Directors' Travelling | 147 | 34 |
| Travelling & Conveyance | 365 | 183 |
| Telephone & Postage | 255 | 364 |
| Directors' Remuneration [^] | 1,200 | 1,295 |
| Printing & Stationery | 64 | 38 |
| Legal & Professional Fees | 614 | 418 |
| Vehicle Running & Maintenance | 573 | 524 |
| Director's Sitting Fees | 26 | 18 |
| Charity and Donations | 10 | 1 |
| Advances Written Off | 454 | 128 |
| Miscellaneous Expenses | 829 | 373 |
| Contribution towards CSR (Refer Note No. 60) | 147 | 33 |
| Sub Total (B) | 5,737 | 4,333 |
| [^] Excludes ₹ 1,345 Lakhs considered under Exceptional Items (Refer Note No -44) | | |
| C. Selling & Distribution Expenses | | |
| Sales Commission & Brokerage | 3,308 | 3,796 |
| Freight, Octroi and Other Selling Expenses | 5,776 | 10,516 |
| Bad Debts Written Off * | 274 | 2,180 |
| Sub Total (C) | 9,358 | 16,492 |
| D. Other Expenses | | |
| Loss on Foreign Currency Fluctuation (Net) | 1,912 | - |
| Sub Total (D) | 1,912 | - |
| TOTAL (A+B+C+D) | 34,395 | 33,986 |

*Bad Debts Written Off ₹ 274 includes (₹ 283 Lakhs in respect of export debtors in accordance with the provisions of Foreign Exchange Management Act 1999) and net-off recovery of ₹ 71 Lakhs during the year. (Previous Year ₹ 2,180 Lakhs) out of Provision for Trade Receivables

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)**44 EXCEPTIONAL ITEMS**

(₹ in Lakhs)

| | 2022-23 | 2021-22 |
|--|--------------|--------------|
| (i) Impairment Loss on Assets classified as held for sale* | 150 | 1,229 |
| (ii) Proportional cost of Sweat equity Shares charged to the Statement of Profit and Loss during the year ** | 1,138 | - |
| (iii) Withholding tax on the total value of Sweat equity shares | 1,283 | - |
| (iv) Impairment of Investments | 4 | - |
| TOTAL | 2,575 | 1,229 |

*The Impairment loss is on account of Assets classified as held for sale being valued at Recoverable amount since its Recoverable amount is lower than its Carrying amount. The difference between the same has been shown as Impairment Loss in accordance with Ind AS 36.

**The Company has issued Sweat Equity Shares during the year in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021, 11,25,000 equity shares of ₹ 10 each (fully paid-up) at the premium of ₹ 327.18 per equity share to Executive Director & Chief Business Strategist as per Board Resolution dated June 17, 2022 & as approved by the Shareholders in their Extra Ordinary General Meeting held on dated July 16, 2022. The total value of equity shares issued amount to ₹ 3,793 Lakhs out of the above ₹ 1,138 Lakhs is charged to the statement of Profit & Loss and balance ₹ 2,655 Lakhs is to be carried forward & amortized for a period of four years.

45 (A) SCHEME OF AMALGAMATION

The Board of Directors of the Company in its meeting held on September 14, 2020 had approved the scheme of amalgamation between the Company and the Sangam Lifestyle Ventures Limited (SLVL) (amalgamating Company) (Wholly Owned Subsidiary Company).

The Jaipur bench of NCLT vide its order dated March 11, 2022 had approved the Scheme of Amalgamation between Sangam India Limited (SIL) and Sangam Lifestyle Ventures Limited ('SLVL'), a wholly own subsidiary of SIL with effect from April 01, 2020, being Appointed date.

Accordingly the Company accounted the scheme of arrangement as per Pooling of Interest method in accordance with Appendix C of Ind AS 103 Business Combination. Pursuant to which all assets and Liabilities pertaining to the amalgamating company as defined in the arrangement have been transferred to the amalgamated company without any consideration and investment in the equity shares of SLCL has been cancelled.

Details of assets acquired and liabilities assumed in accordance with Ind AS 103 - Business Combinations;

| Particulars | ₹ in Lakhs | |
|--|----------------|--------------|
| Investments in Subsidiary (A) | | 5 |
| Less:- Net carrying amount of Assets acquired and Liabilities Assumed (B) | | |
| Total Assets | | |
| Property, Plant & Equipment | 15 | |
| Intangible Assets | 10 | |
| Other Financial Assets | 2 | |
| Deferred Tax Assets (Net) | 208 | |
| Inventories | 539 | |
| Trade Receivables | 524 | |
| Cash and Cash equivalents | 2 | |
| Other Current Assets | 75 | |
| | 1,375 | |
| Total Liabilities | | |
| Trade Payable -Others | (1,810) | |
| Other Financial Liabilities | (114) | |
| Other Current Liabilities | (25) | |
| Provisions | (18) | |
| | (1,967) | (592) |
| Other Equity | (A)-(B) | (597) |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

45 (B) SCHEME OF AMALGAMATION

The Net Loss after tax of erstwhile amalgamating company for the period April 01, 2020 to 31st March, 2021 amounting to ₹ 71 Lakhs comprised of:-

| | (₹ in Lakhs) |
|---|----------------|
| | 2020-21 |
| INCOME : | |
| Sale of Services | 1,046 |
| Other Income | - |
| Total Revenue | 1,046 |
| EXPENDITURE : | |
| Cost of Materials Consumed | 646 |
| Employee Benefits Expenses | 145 |
| Finance Costs | 17 |
| Depreciation and Amortization Expense | 6 |
| Other Expenses | 332 |
| Total Expenses | 1,146 |
| Losses before tax | (100) |
| Tax Expenses | |
| Current Tax | - |
| Deferred Tax | (28) |
| Total Tax Expenses | (28) |
| Profit/ (Loss) for the year | (72) |
| Other Comprehensive Income | |
| Items that will not be reclassified to profit or loss | |
| Remeasurement of defined benefit plans | 2 |
| Tax relating to remeasurement of defined benefit plans | (1) |
| Total Other Comprehensive Income/ (Loss) for the period | 1 |
| Net Losses after tax of erstwhile amalgamating companies | (71) |

46 OTHER COMPREHENSIVE INCOME

| | (₹ in Lakhs) | |
|--|----------------|----------------|
| | 2022-23 | 2021-22 |
| Items that will not be reclassified to profit or loss | | |
| Remeasurement of defined benefit plans | 107 | 164 |
| Tax relating to remeasurement of defined benefit plans | (27) | (41) |
| Sub Total (A) | 80 | 123 |
| Items that will be reclassified to profit or loss | | |
| Fair value changes on derivatives designated as cash flow hedges | 11 | (25) |
| Tax on items that will be reclassified subsequently to Profit & Loss | (3) | 6 |
| Sub Total (B) | 8 | (19) |
| TOTAL (A+B) | 88 | 104 |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)**47 EARNINGS PER SHARE (EPS)**

| | (₹ in Lakhs) | |
|---|----------------|----------------|
| | 2022-23 | 2021-22 |
| i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders | 16,029 | 15,251 |
| Less : Exceptional Items | 2,575 | 1,229 |
| Net Profit after Exceptional Items | 13,454 | 14,022 |
| ii) Weighted Average number of equity shares used as denominator for calculating EPS | 4,43,82,860 | 4,34,21,559 |
| iii) Weighted Average number of equity shares used as denominator for calculating Diluted EPS | 35,03,087 | 2,30,250 |
| iv) Basic Earnings per share (Before exceptional items) | 36.12 | 35.12 |
| v) Basic Earnings per share (After exceptional items) | 30.31 | 32.29 |
| vi) Diluted Earnings per share (Before exceptional items) | 33.47 | 34.94 |
| vii) Diluted Earnings per share (After exceptional items) | 28.10 | 32.12 |
| viii) Face Value per equity share (₹) | 10 | 10 |

48 The Company had undertaken a Toll user collection contract with National High Way Authority of India (NHAI) for Ushaka Toll Plaza on N.H. No. 25. Due to Dispute with NHAI the contract was terminated and the matter was referred to arbitration. The Arbitrator had given the award in favour of the Company during F.Y. 2015-16 which was disputed by NHAI and filed an appeal against the same with the single bench of Delhi High Court, which referred the matter back for arbitration. The Company has objected to the above decision before the division bench of Delhi High Court and filed an appeal to stay the order. The Delhi High Court has admitted the appeal and stayed the said order.

Based on the legal provisions and the facts, the management is of the opinion that the Company would be successful in its claim for recovery of the dispute amount. The other current financial asset includes the above claim.

49 ISSUE OF SWEAT EQUITY SHARES

| Particulars | (₹ in Lakhs) | |
|--|--|--|
| | As at 31st March, 2023 | As at 31st March, 2022 |
| During the year, 11,25,000 Equity Shares were allotted to the Executive Director and the Chief Business Strategist as per the Board resolution dated June 17, 2022 and as approved by the Shareholders in their extra ordinary general meeting held on July 16, 2022 as under: | | |
| (a) Number of Sweat equity Shares issued as per the above approval | | |
| (i) Mr Vinod Kumar Sodani (Executive Director) | 6,25,000 | - |
| (ii) Mr Pranal Modani (Chief Business Strategist) | 5,00,000 | - |
| (b) Share value adopted as per the valuer's report based on Trading days volume weighted average price in accordance with the SEBI (Share based Employee Benefits and Equity) Regulations 2021. | ₹ 337.18 per Equity share | NA |
| (c) Value of Equity Shares issued and allotted: | | |
| (i) Mr Vinod Kumar Sodani (Executive Director) ₹ in Lakhs | 2,107 | - |
| (ii) Mr Pranal Modani (Chief Business Strategist) ₹ in Lakhs | 1,686 | - |
| (d) Withholding tax absorbed by the Company on the above value under section 192 of the Income Tax Act, 1961 | 1,282 | - |
| (e) Proportional value of the above Sweat equity and withholding tax charged to the profit and loss statement as an exceptional item (Refer Note No 44) | 1,138 | - |
| (f) Balance amount deferred to be amortized in 4 equal installments during subsequent years. (Refer Note No 44) | 2,655 | - |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

50 EMPLOYEES STOCK OPTION SCHEME 2022

(₹ in Lakhs)

| Particulars | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| During the year, the Company has formulated an Employees Stock Option Scheme 2022 (ESOP 2022). The employees of the Company and its subsidiaries are eligible for the options as per the scheme. The terms and conditions of the above scheme is as under: | | |
| (a) Terms on which ESOPs are to be issued: | | |
| (i) The grant of options to the employees under the above ESOP 2022 are linked to the performance and other eligibility criteria of the employees. | | |
| (ii) The suggested options which can be allowed as per the proposed scheme, subject to the discretion of the management and fulfilment of certain conditions are as under: | | |
| At the end of the first year from the grant date | - 10% of the option granted | |
| At the end of the second year from the grant date | - 10% of the option granted | |
| At the end of the third year from the grant date | - 15% of the option granted | |
| At the end of the fourth year from the grant date | - 20% of the option granted | |
| At the end of the fifth year from the grant date | - 20% of the option granted | |
| At the end of the sixth year from the grant date | -- 25% of the option granted | |
| (iii) Vesting would be subject to continue employment of the grantee | | |
| However, no option scheme is under implementation at the year end | | |
| (ii) Options can be exercised either wholly or partly at any time within a maximum period of 3 years from the date of respective vesting, through cash mechanism after submitting the exercise application along with the amount due thereon. The grant and would be settled by way of issue of equity shares. Management has discretion to modify the exercise period. The committee may allow a discount for exercise price but in such case the exercise will not go below the par value of the shares. The tax as applicable would be chargeable by the employee | | |
| (b) The other details of the grants under the aforesaid scheme are summarised below: | | |
| Name of the scheme: ESOP 2022 | | |
| (I) Number of stock options during the year | | |
| (i) Grant price - (a) on the basis of average market purchase price if shares so granted are acquired from the secondary market (b) otherwise the market price if issued as fresh shares by the Company | | |
| (ii) Grant dates - will be decided by the committee appointed for this purpose | | |
| (iii) Vesting commences - Scheme not yet implemented | | |
| (iv) Options granted and outstanding at the beginning of the year | Nil | Nil |
| (v) Options lapsed | Nil | Nil |
| (vi) Options granted | Nil | Nil |
| (vii) Options exercised | Nil | Nil |
| (viii) Options granted and outstanding at the end of the year, of which | Nil | Nil |
| (a) Options vested | Nil | Nil |
| (a) Options yet to vest | Nil | Nil |
| (II) Weighted exercisable price for the stock options during the year | | |
| (i) Grant price | Nil | Nil |
| (ii) Grant dates | Nil | Nil |
| (iii) Vesting commences (Dates) | Nil | Nil |
| (iv) Options granted and outstanding at the beginning of the year | Nil | Nil |
| (v) Options lapsed | Nil | Nil |
| (vi) Options granted | Nil | Nil |
| (vii) Options exercised | Nil | Nil |
| (viii) Options granted and outstanding at the end of the year, of which | | |
| (a) Options vested | Nil | Nil |
| (a) Options yet to vest | Nil | Nil |
| (ix) Weighted average remaining contractual life of options (in years) | NA | NA |



Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

(₹ in Lakhs)

| Particulars | As at | |
|--|------------------------------|------------------------------|
| | 31 st March, 2023 | 31 st March, 2022 |
| (c) The number and weighted average exercise price of stock options are as follows: | | |
| (i) Options granted and outstanding at the beginning of the year | Nil | Nil |
| (ii) Options granted | Nil | Nil |
| (iii) Options forfeited | Nil | Nil |
| (iv) Options allotted | Nil | Nil |
| (v) Options lapsed | Nil | Nil |
| (vi) Options granted and outstanding at the end of the year | Nil | Nil |
| (vii) Options exercisable at the end of the year out of (5) above | Nil | Nil |
| (d) Weighted average share price at the date of exercise for stock options exercised during the year | NA | NA |
| (e) | Nil | Nil |
| (i) In respect of stock options granted pursuant to the Company's stock options schemes, the fair value of the options is treated as discount and accounted as employee compensation over the vesting period. | | |
| (ii) Expense on Employee Stock Option Schemes debited to the Statement of Profit and Loss during the year (net of recoveries of R Nil (previous year: R Nil) from its group companies towards the stock options granted to deputed employees, pursuant to the employee stock option schemes | Nil | Nil |
| The entire amount pertains to equity-settled employee share-based payment plans. | | |
| (f) Since the scheme is yet to be implemented, the recovery of any amount from its subsidiary companies towards the stock options granted to their employees, pursuant to the employee stock option schemes is not applicable. | | |
| (g) Weighted average fair values of options granted during the year, since the scheme is yet to be implemented | Nil | Nil |
| (h) The fair value has not been calculated as the scheme is yet to be implemented | | |
| (i) For the implementation of the ESOP 2022, the Company has established "Sangam Employees Welfare Trust" . The ESOP scheme shall be implemented through this trust. (Also refer Note No 18) | | |

51 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

(₹ in Lakhs)

| Particulars | As at | |
|--|------------------------------|------------------------------|
| | 31 st March, 2023 | 31 st March, 2022 |
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | |
| - Principal amount due to micro and small enterprises* | 1214 | 1148 |
| - Interest due on above | - | - |
| The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | - | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006 | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year. | - | - |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006 | - | - |

Notes to Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

The figures have been disclosed on the basis of information received from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and/or based on the information available with the Company. Further, no interest during the year has been paid or payable under the provisions of the MSMED Act, 2006.

* Include total outstanding dues of micro enterprises and small enterprises of ₹ 1,175 Lakhs (Previous Year ₹ 1,128 Lakhs) included in Trade Payables.

* Include total outstanding dues of micro enterprises and small enterprises of ₹ 39 Lakhs (Previous Year ₹ 20 Lakhs) in other liabilities under the other current financial liabilities.

52 CONTINGENT LIABILITIES AND COMMITMENTS

| | (₹ in Lakhs) | |
|--|--------------|---------|
| | 2022-23 | 2021-22 |
| (I) Contingent Liabilities: | | |
| (a) Guarantees: | | |
| Outstanding Bank Guarantees (Excluding Financial Guarantees) | 617 | 413 |
| (b) Other Money for which the Company is contingently liable: | | |
| 1. Stamp Duty dispute pending with Rajasthan High Court, Jodhpur under Rajasthan Stamp Duty Act, 1998. | 64 | 89 |
| 2. Various cases pending with Central Excise under Central Excise Act, 1944 & Service Tax cases under Finance Act, 1994 (Net of amount fully provided). | - | 452 |
| 3. Dispute of Fixed Charges recovery pending with APTEL, New Delhi under Electricity Act, 2003. | 42 | 42 |
| 4. Entry Tax dispute for the year 2014-15 & 2015-16 under The Rajasthan Tax on Entry of Goods into Local Area Act, 1999 regarding to interest /penalty. | - | 47 |
| 5. Disputed VAT Liabilities under The Rajasthan Value Added Tax Act, 2003 in respect of : | | |
| 5.1 Input Tax Credit | - | 7 |
| 6. Disputes on various tolls for which company is contingently liable. | 243 | 243 |
| (II) Commitments: | | |
| (a) Estimated amount of contracts (Net of advances) remaining to be executed on capital and not provided for. | 16,701 | 5073 |
| (b) In respect of Capital goods imported at the concessional rate of duty under the Export Promotion Capital goods scheme, the Company has approximate exports obligations which is required to be met at the different due dates before 31 st March, 2029. In the event of non-fulfilment of these export obligation, the Company will be liable to pay customs duties and penalties, as applicable. | 19,414 | 10208 |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)**53 DISCLOSURE OF RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24 "RELATED PARTY DISCLOSURES".****(A) Details of Related Parties****1 Wholly Owned Subsidiary Company**

Sangam Ventures Limited

Whether transactions held during the year - Yes

2 Key Managerial Personnel (KMP)

Mr R.P.Soni

Dr. S.N.Modani

Mr V.K.Sodani

Mr Anurag Soni

Mr A.K.Jain

Chairman

Managing Director & Chief Executive officer

Executive Director

Director & Chief Financial Officer

Company Secretary

3 Non Executive Director/ Independent Director

Mr Achintya Karati

Mr T.K.Mukhopadhyay

Ms Jyoti Sharma

Mr Yaduvendra Mathur

Mr Sudhir Maheshwari (w.e.f.August 01, 2022)

4 Relatives of KMP (with whom transactions held during the year)

Ms Radha Devi Soni

Ms Mamta Modani

Ms Archana Sodani

Ms Antima Bass

Mr Pranal Modani

Ms Palak Modani

Ms Krippie Soni

Ms Sakshi Modani

Ms Mihika Sodani

5 Enterprises over which KMP have significant influence

SMW Ispat Private Limited

(Formerly known as "Mahalaxmi TMT PrivateLimited")

Sangam E-com Limited

Raj Rajeshwar Enterprises PrivateLimited

Laddha Construction Company PrivateLimited

R.P. Soni HUF

M/s Badri Lal Soni Charitable Trust

M/s Kesar Bai Soni Charitable Trust

Sangam Business Credit Limited

Nikita Credit Private Limited (Merged with Sangam E-com Limited w.e.f. December 31, 2022)

Fashion Funda.com Private Limited (Merged with Sangam E-com Limited w.e.f. December 31, 2022)

(B) Disclosure of related party transactions:

| S. No. | Nature of transaction/relationship/major parties | (₹ in Lakhs) | |
|----------|---|---------------------|---------------------|
| | | 2022-2023 Amount | 2021-2022 Amount |
| 1 | Purchase of goods & services (including commission paid) | | |
| | (a) Purchase of Goods | | |
| | SMW Ispat Private Limited | - | 1,185 |
| | Sangam Ventures Limited | 129 | - |
| 2 | Sale of goods/contract revenue & services | | |
| | (a) Sale of Goods | | |
| | Sangam Ventures Limited | 338 | - |
| | (b) Sale of Services (Utility Services) | | |
| | Sangam Ventures Limited | 28 | - |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

| S. No. | Nature of transaction/relationship/major parties | (₹ in Lakhs) | |
|----------|---|---------------------|---------------------|
| | | 2022-2023 Amount | 2021-2022 Amount |
| 3 | Lease Liability Paid | | |
| | Mr Ram Pal Soni | 12 | 8 |
| | Mr Anurag Soni | 14 | 14 |
| | Ms Radha Devi Soni | 69 | 74 |
| | Ms Mamta Modani | 5 | 5 |
| | Ms Antima Bass | 12 | 14 |
| | Ms Krippie Soni | 25 | 24 |
| | R.P.Soni HUF | 12 | 12 |
| | Laddha Construction Company Private Limited | 40 | 39 |
| 4 | Rent received | | |
| | Sangam Ventures Limited | 5 | 2 |
| 5 | Insurance paid for KMP | | |
| | Dr.S.N.Modani | 14 | 12 |
| | Mr V.K.Sodani | 27 | 12 |
| | Mr Anurag Soni | 42 | 14 |
| 6 | Compensation paid to key management personnel: | | |
| | Remuneration | | |
| | (1) Short-term employment benefits / Salary | | |
| | (i) Key Managerial Personnel | | |
| | Mr R.P.Soni | 293 | 320 |
| | Dr.S.N.Modani | 164 | 159 |
| | Mr V.K.Sodani | 102 | 66 |
| | Mr Anurag Soni | 72 | 75 |
| | Mr A.K.Jain | 9 | 8 |
| | (ii) Relatives of Key Managerial Personnel | | |
| | Ms Mamta Modani | 48 | 48 |
| | Ms Archana Sodani | 24 | 24 |
| | Mr Pranal Modani | 47 | 43 |
| | Ms Palak Modani | 11 | 11 |
| | Ms Sakshi Modani | 104 | 8 |
| | Ms Mihika Sodani | 113 | 77 |
| | (2) Director Sitting fees | | |
| | Mr Achintya Karati | 7 | 5 |
| | Mr T.K.Mukhopadhyay | 9 | 5 |
| | Ms Jyoti sharma | 4 | 3 |
| | Mr Yaduvendra Mathur | 5 | 4 |
| | Mr Sudhir Maheshwari | 1 | - |



Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

| | | (₹ in Lakhs) | |
|--|--|--------------|-----------|
| S. No. | Nature of transaction/relationship/major parties | 2022-2023 | 2021-2022 |
| | | Amount | Amount |
| (3) Commission | | | |
| | Mr R.P.Soni | 193 | 208 |
| | Dr. S.N.Modani | 94 | 208 |
| | Mr V.K.Sodani | 74 | 52 |
| | Mr Anurag Soni | 193 | 208 |
| | Mr Pranal Modani | 16 | - |
| (4) Value of sweat equity share considered as Exceptional items | | | |
| | Mr V.K.Sodani | 1,345 | |
| | Mr Pranal Modani | 1,075 | |
| (5) Investment in Subsidiary | | | |
| | Investment in Equity Instruments | 3,152 | 770 |
| | Corporate Guarantee for Subsidiary against its loan for Bank | 1,011 | - |
| (6) Advance to suppliers | | | |
| | Advance to suppliers of Sangam Ventures Limited | - | 407 |
| (7) Equity share capital (including premium) | | | |
| | Sweat equity shares | | |
| | Mr V.K.Sodani | 2,107 | - |
| | Mr Pranal Modani | 1,686 | - |
| (8) Other financial liabilities | | | |
| | Corporate Guarantee for Subsidiary against its loan of ₹ 10,700 Lakhs for Bank | 1,011 | - |
| 8 Expenditure Incurred in CSR | | | |
| | (i) M/S Badri Lal Soni Charitable Trust | 60 | 29 |
| | (ii) M/S Kesar Bai Soni Charitable Trust | 11 | 11 |

(C) Amount due to / from related parties:

| | | (₹ in Lakhs) | |
|--|--|--------------|-----------|
| S. No. | Nature of transaction/relationship/major parties | 2022-2023 | 2021-2022 |
| | | Amount | Amount |
| 1 Trade & Other Receivables | | | |
| | Sangam Ventures Limited | 164 | 407 |
| 2 Other Payables | | | |
| | SMW Ispat Private Limited | - | 49 |
| | Lease Liabilities | | |
| | Mr Ram Pal Soni | 2 | - |
| | Mr Anurag Soni | 1 | - |
| | Ms Radha Devi Soni | 7 | - |
| | Ms Mamta Modani | 0 | - |
| | Ms Antima Bass | 1 | - |
| | Ms Krippie Soni | 3 | - |
| | R.P.Soni HUF | 1 | - |
| | Laddha Construction Company Private Limited | 5 | - |
| | Consultancy Fees (Relative of KMP) | | |
| | Ms Mamta Modani | 4 | - |
| | Ms Archana Sodani | 2 | - |
| | Director's Sitting Fees | | |
| | Mr Sudhir Maheshwari (w.e.f.August 01, 2022) | 1 | - |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

54 EMPLOYEE BENEFITS

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

(₹ in Lakhs)

| | For the year ended | |
|---|------------------------------|------------------------------|
| | 31 st March, 2023 | 31 st March, 2022 |
| Contribution to government Provident Fund | 1,165 | 982 |

(ii) Defined Benefit Plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liability is being contributed to the gratuity fund formed by the Company. Company makes contributions to Group Gratuity Schemes administrated by the LIC of India.

Other long term employee benefit plans

Compensated absences

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31st March, 2023. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

(₹ in Lakhs)

| | Gratuity (Funded) | | Leave encashment | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| | 31 st March, 2023 | 31 st March, 2022 | 31 st March, 2023 | 31 st March, 2022 |
| Net defined benefit (liability) / asset | 2,133 | 1,796 | 189 | 103 |
| Non-current | - | - | - | - |
| Current | 2,133 | 1,796 | 189 | 103 |



Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

B. Movement in net defined benefit (asset) liability
The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

| Particulars | Gratuity (Funded) | | | | Leave Encashment (Funded) | | | | | | | | |
|---|------------------------------|---------------------------|--|----------------------------|------------------------------|--|------------------------------|---------------------------|--|--------------|------------|--------------|---|
| | 31 st March, 2023 | | 31 st March, 2022 | | 31 st March, 2023 | | 31 st March, 2022 | | | | | | |
| | Defined benefit obligation | Fair value of plan assets | Net defined benefit (asset)/ liability | Defined benefit obligation | Fair value of plan assets | Net defined benefit (asset)/ liability | Defined benefit obligation | Fair value of plan assets | Net defined benefit (asset)/ liability | | | | |
| Balance as at April 01, 2022 | 2,283 | 487 | 1,796 | 2,080 | 520 | 1,560 | 444 | 341 | 103 | 434 | 320 | 114 | |
| Balance as at April 01, 2022 (Amalgamating Company) | - | - | - | 15 | - | 15 | - | - | - | - | - | - | 8 |
| Included in profit or loss | | | | | | | | | | | | | |
| Current service cost | 482 | - | 482 | 449 | - | 449 | 215 | - | 215 | 196 | - | 196 | |
| Interest cost (income) | 154 | - | 154 | 135 | - | 135 | 31 | - | 31 | 30 | - | 30 | |
| | 636 | - | 636 | 584 | - | 584 | 246 | - | 246 | 226 | - | 226 | |
| Included in OCI | | | | | | | | | | | | | |
| Remeasurements loss (gain) | - | - | - | - | - | - | - | - | - | - | - | - | |
| - Actuarial loss (gain) arising from: | | | | | | | | | | | | | |
| - demographic assumptions | (48) | - | (48) | (74) | - | (74) | (11) | - | (11) | (14) | - | (14) | |
| - financial assumptions | (64) | - | (64) | (93) | - | (93) | (126) | - | (126) | (210) | - | (210) | |
| - experience adjustment | (5) | (5) | 5 | | (2) | 2 | - | (1) | 1 | | (1) | 1 | |
| | (112) | (5) | (107) | (167) | (2) | (165) | (137) | (1) | (136) | (224) | (1) | (223) | |
| Other | | | | | | | | | | | | | |
| Contributions paid by the employer | - | 159 | (159) | - | 165 | (165) | - | - | - | - | - | - | |
| Benefits paid | (200) | (200) | - | (229) | (229) | - | - | - | - | - | - | - | |
| Expected Return on Plan Assets | - | 33 | (33) | - | 33 | (33) | - | 24 | (24) | - | 22 | (22) | |
| | (200) | (8) | (192) | (229) | (31) | (198) | - | 24 | (24) | - | 22 | (22) | |
| Balance as at 31st March, 2023 | 2,607 | 474 | 2,133 | 2,283 | 487 | 1,796 | 553 | 364 | 189 | 444 | 341 | 103 | |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

C. Plan assets

| | (₹ in Lakhs) | |
|-------------------------|------------------------------|------------------------------|
| | 31 st March, 2023 | 31 st March, 2022 |
| Fund managed by insurer | 100% | 100% |
| | 100% | 100% |

D. Actuarial assumptions

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

| | (₹ in Lakhs) | |
|---|-------------------------------|------------------------------|
| | 31 st March, 2023 | 31 st March, 2022 |
| Discount rate | 7.29% | 7.10% |
| Expected rate of future salary increase | 5.50% | 5.50% |
| Mortality | 100% of IALM (2012 - 14) Ult. | |

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

E. Sensitivity analysis

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

| | (₹ in Lakhs) | | | |
|---|------------------------------|----------|------------------------------|----------|
| | Gratuity | | Leave encashment | |
| | 31 st March, 2023 | | 31 st March, 2022 | |
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | 2,379 | 2,881 | 2,056 | 2,517 |
| Expected rate of future salary increase (1% movement) | 2,880 | 2,376 | 2,516 | 2,054 |
| | 501 | 616 | 395 | 489 |
| | 616 | 501 | 489 | 395 |

Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown

F. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

- A) Salary Increases-** Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B) Investment Risk-** If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C) Discount Rate-** Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Mortality & disability-** Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals-** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.



Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

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

(₹ in Lakhs)

| Particulars | As at | As at |
|---|------------------------------|------------------------------|
| | 31 st March, 2023 | 31 st March, 2022 |
| Duration of defined benefit payments | | |
| Less than 1 year | 418 | 351 |
| Between 1-2 years | 118 | 79 |
| Between 2-5 years | 467 | 373 |
| Over 5 years | 924 | 785 |
| Total | 1,927 | 1,588 |

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 18.14 years (31st March, 2022 : 18.46 years)

55 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

I. Fair value measurements Hierarchy

(₹ in Lakhs)

| Particulars | As at 31 st March, 2023 | | | | As at 31 st March, 2022 | | | |
|--|------------------------------------|------------|-----------|----------|------------------------------------|----------|-----------|----------|
| | Carrying Amount | Level 1 | Level 2 | Level 3 | Carrying Amount | Level 1 | Level 2 | Level 3 |
| Financial Assets | | | | | | | | |
| At Amortized Cost | | | | | | | | |
| Non current - Investments | 5,008 | - | - | - | 849 | - | - | - |
| Other Non-Current Financial Assets | 3,094 | - | - | - | 2,649 | - | - | - |
| Current-Assets | | | | | | | | |
| Trade Receivables | 35,236 | - | - | - | 37,643 | - | - | - |
| Cash and Cash Equivalents | 16 | - | - | - | 9 | - | - | - |
| Bank Balances other than above | 2,777 | - | - | - | 2,117 | - | - | - |
| Other Current Financial Assets | 5,268 | - | - | - | 6,057 | - | - | - |
| Total (A) | 51,399 | - | - | - | 49,324 | - | - | - |
| Investment in Mutual fund measured at fair value through profit and loss | 686 | 686 | - | - | - | - | - | - |
| Total (B) | 686 | 686 | - | - | - | - | - | - |
| Total (A+B) | 52,085 | 686 | - | - | 49,324 | - | - | - |
| Financial Liabilities | | | | | | | | |
| At Amortized Cost | | | | | | | | |
| Borrowings - Non Current | 32,366 | - | - | - | 18,055 | - | - | - |
| Lease Liabilities - Non Current | 57 | - | - | - | 219 | - | - | - |
| Other Financial Liabilities -Non Current | 1,011 | - | - | - | - | - | - | - |
| Lease Liabilities - Current | 162 | - | - | - | 143 | - | - | - |
| Borrowings - Currents | 48,420 | - | - | - | 42,614 | - | - | - |
| Trade Payables | 22,415 | - | - | - | 28,740 | - | - | - |
| Other Current Financial Liabilities | 10,622 | - | - | - | 12,992 | - | - | - |
| At Fair Value through P&L | | | | | | | | |
| Other Current Financial Liabilities | (14) | - | (14) | - | 19 | - | 19 | - |
| At Fair Value through OCI | | | | | | | | |
| Other Current Financial Liabilities | 24 | - | 24 | - | 13 | - | 13 | - |
| | 1,15,063 | 686 | 10 | - | 1,02,795 | - | 32 | - |

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

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

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

Notes to Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

II. Financial risk management

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

- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

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

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

The Company's Audit Committee oversees compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee..

ii. Credit risk

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

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

Trade and other receivables

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

The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank references.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables

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

The gross carrying amount of trade receivables is ₹ 35,558 Lakhs (31st March, 2022 – ₹ 37,926 Lakhs).

A default on a financial asset is when counterparty fails to make payments within 60 days when it falls due.

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)**Reconciliation of Loss Allowance Provision – Trade Receivables**

(₹ in Lakhs)

| Particulars | 31 st March, 2023 | 31 st March, 2022 |
|----------------------------|------------------------------|------------------------------|
| Opening Balances | 283 | 283 |
| Impairment Loss Recognized | 274 | 2,180 |
| Amount written back | 235 | 2,180 |
| Closing balance | 322 | 283 |

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the cash flows generated from operations to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position comprising the undrawn borrowing facilities and cash and cash equivalents on the basis of expected cash flows. This is generally carried out in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(a) Maturities of financial liabilities

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

(₹ in Lakhs)

| Particulars | Carrying Amounts | | Contractual cash flows | | |
|---|------------------------------|-----------------|------------------------|---------------|-------------------|
| | 31 st March, 2023 | Total | Within 1 Year | 1–5 years | More than 5 years |
| Non-derivative financial liabilities | | | | | |
| Borrowings - Non Current | 32,366 | 32,366 | - | 32,083 | 283 |
| Lease Liabilities - Non Current | 57 | 57 | - | 57 | - |
| Other Financial Liabilities -Non Current | 1,011 | 1,011 | - | 506 | 505 |
| Lease Liabilities - Current | 162 | 162 | 162 | - | - |
| Borrowings - Currents | 48,420 | 48,420 | 48,420 | - | - |
| Trade Payables | 22,415 | 22,415 | 22,227 | 188 | - |
| Other Current Financial Liabilities | 10,622 | 10,622 | 10,622 | - | - |
| Total non-derivative liabilities | 1,15,053 | 1,15,053 | 81,431 | 32,834 | 788 |
| Derivatives (net settled) | | | | | |
| Foreign exchange forward contracts | 10 | 10 | 10 | - | - |
| Total derivative liabilities | 10 | 10 | 10 | - | - |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

(₹ in Lakhs)

| Particulars | Carrying Amounts | | Contractual cash flows | | |
|---|------------------------------|-----------------|------------------------|---------------|-------------------|
| | 31 st March, 2022 | Total | Within 1 Year | 1–5 years | More than 5 years |
| Non-derivative financial liabilities | | | | | |
| Borrowings - Non Current | 18,055 | 18,055 | - | 15,465 | 2,590 |
| Lease Liabilities - Non Current | 219 | 219 | | 219 | |
| Lease Liabilities - Current | 143 | 143 | 143 | | |
| Borrowings - Currents | 42,614 | 42,614 | 42,614 | - | - |
| Trade payables | 28,740 | 28,740 | 28,147 | 593 | - |
| Other current financial liabilities | 12,992 | 12,992 | 12,992 | - | - |
| Total non-derivative liabilities | 1,02,763 | 1,02,763 | 83,896 | 16,277 | 2,590 |
| Derivatives (net settled) | | | | | |
| Foreign exchange forward contracts | 32 | 32 | 32 | - | - |
| Total derivative liabilities | 32 | 32 | 32 | - | - |

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company uses derivatives like forward contracts to manage market risks on account of foreign exchange. All such transactions are carried out within the guidelines set by the Risk Management Committee.

Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EURO. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Company's functional currency. The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimize the volatility of the cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis.

Currency risks related to the principal amounts of the Company's foreign currency payables have not been hedged using forward contracts.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows (Amounts in Lakhs)

(₹ in Lakhs)

| Particulars | As at 31 st March, 2023 | | As at 31 st March, 2022 | |
|--|------------------------------------|-------------|------------------------------------|-------------|
| | USD | EUR | USD | EUR |
| Financial Instruments | | | | |
| Trade receivables | 202 | 0.27 | 225 | (3) |
| Trade payables | (3) | (10) | (2) | (2) |
| Borrowings | (95) | (20) | (266) | (30) |
| Derivatives - Forward Contracts | (118) | - | (250) | - |
| Net statement of financial position exposure | (14) | (30) | (293) | (36) |

**Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)**
Sensitivity analysis

A reasonably possible strengthening (weakening) of the ₹ against all currencies at 31st March, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

| Particulars | Profit or loss | |
|------------------------------------|----------------|-----------|
| | Strengthening | Weakening |
| 31st March, 2023 | | |
| USD (1% movement) | (11) | 11 |
| EUR (1% movement) | (26) | 26 |
| 31st March, 2022 | | |
| USD (1% movement) | (222) | 222 |
| EUR (1% movement) | (30) | 30 |

Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

| | Nominal Amount | |
|----------------------------------|------------------------------|------------------------------|
| | 31 st March, 2023 | 31 st March, 2022 |
| Fixed-rate instruments | | |
| Financial assets | - | - |
| Financial liabilities | 847 | 606 |
| | 847 | 606 |
| Variable-rate instruments | | |
| Financial assets | - | - |
| Financial liabilities | 36,512 | 23,629 |
| | 36,512 | 23,629 |

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

| Particulars | Profit or loss | |
|------------------------------------|-----------------|-----------------|
| | 100 bp increase | 100 bp decrease |
| 31st March, 2023 | | |
| Variable-rate instruments | (365) | 365 |
| Cash flow sensitivity | (365) | 365 |
| 31st March, 2022 | | |
| Variable-rate instruments | (236) | 236 |
| Cash flow sensitivity | (236) | 236 |

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Hedge Accounting

The Company's business objective includes safe-guarding its earnings against foreign exchange fluctuations. The Company has adopted a structured risk management policy to hedge all these risks within an acceptable risk limit and an approved hedge accounting framework which allows for Fair Value hedges and Cash Flow hedges. Hedging instruments include forwards contracts to achieve this objective. The table below shows the position of hedging instruments and hedged items as on the balance sheet date.

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

Disclosure of effect of Hedge Accounting:

(i) Fair Value Hedge

Hedging Instruments

(₹ in Lakhs)

| Particulars | Nominal Value | Carrying Amount | Change in Fair Value | Hedge Maturity | Line Item in Balance Sheet |
|------------------------------|---------------|-----------------|----------------------|-----------------------------|-------------------------------------|
| Foreign Currency Risk | | | | | |
| Forward Contracts | 17,164 | (14) | (14) | May, 2023 to December, 2024 | Other Current Financial Liabilities |

Hedged Items

(₹ in Lakhs)

| Particulars | Carrying Amount | Change in Fair Value | Line Item in Balance Sheet |
|-----------------------|-----------------|----------------------|--------------------------------------|
| Foreign Currency Risk | | | |
| Trade Receivables | 16,623 | 89 | Financial Assets - Trade Receivables |

(ii) Cash Flow Hedge

During the year ended 31st March, 2023, the Company has designated certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedge reserve as at 31st March, 2023 are expected to occur and reclassified to Statement of Profit and Loss within three months.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of its forecasted cash flows. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in the Statement of Profit and Loss at the time of the hedge relationship rebalancing.

CASH FLOW HEDGE

Hedging Instruments

(₹ in Lakhs)

| Particulars | Nominal Value | Carrying Amount | Change in Fair Value | Hedge Maturity | Line Item in Balance Sheet |
|------------------------------|---------------|-----------------|----------------------|-----------------------------------|-------------------------------------|
| Foreign Currency Risk | | | | | |
| Forward Contracts | 9,716 | 24 | 24 | September, 2023 to February, 2024 | Other Current Financial Liabilities |

Hedged Items

(₹ in Lakhs)

| Particulars | Carrying Amount | Change in Fair Value | Line Item in Balance Sheet |
|------------------------------------|-----------------|----------------------|----------------------------|
| Foreign Currency Risk | | | |
| Highly Probable Forecasted Exports | 9,716 | - | - |

The reconciliation of cash flow hedge reserve for the years ended 31st March, 2023 and 31st March, 2022 is as follows :

| Particulars | Year Ended 31.03.23 | Year Ended 31.03.22 |
|--|---------------------|---------------------|
| Gain / (Loss) | | |
| Balance at the beginning of the year | 13 | 39 |
| Gain / (Loss) recognized in other comprehensive income during the year | 11 | (25) |
| Amount reclassified to profit and loss during the year | - | - |
| Balance at the end of the year | 24 | 13 |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

56 RATIO ANALYSIS

| S. No | Ratio | | Basis | FY 23 | FY 22 | % Change | Reason For Variance |
|-------|----------------------------------|-------|---|--------|--------|----------|-----------------------|
| 1 | Current ratio | Times | Current assets / Current liabilities | 1.23 | 1.20 | 2% | |
| 2 | Debt-Equity ratio | Times | Total Debt / Equity | 0.91 | 0.85 | 7% | |
| 3 | Debt service coverage ratio | Times | Earnings for debt service*/ Debt Service | 3.03 | 2.78 | 9% | |
| 4 | Return on equity ratio | % | Profit after tax / Shareholders' Equity | 10.80% | 22.09% | (51)% | Refer note i) below |
| 5 | Inventory turnover ratio | Times | Cost of Goods Sold** / Average inventory | 3.88 | 3.83 | 1% | |
| 6 | Trade receivables turnover ratio | Times | Revenue from operations / Average trade receivable | 7.45 | 7.27 | 2% | |
| 7 | Trade payables turnover ratio | Times | Cost of Goods Sold** / Average trade payables | 7.87 | 5.07 | 55% | Refer note ii) below |
| 8 | Net capital turnover ratio | Times | Revenue from operations / Working capital\$ | 13.77 | 13.52 | 2% | |
| 9 | Net profit ratio | % | Net Profit/(Loss) after tax / Revenue from operations | 4.95% | 5.78% | (14)% | |
| 10 | Return on capital employed | % | Earnings Before Interest and tax# / Capital Employed@ | 12.45% | 17.06% | (27)% | Refer note iii) below |
| 11 | Return on investment | % | PAT/Total Assets | 6.37% | 7.73% | (18)% | |

* Earnings for Debt Service = Earnings before finance costs, depreciation and amortization, exceptional items and tax (EBIDTA)/

(Finance cost for the year + Principal repayment of long-term debt liabilities within one year+current lease liab.)

** Cost of Good sold = Cost of materials consumed +Purchases of stock-in-trade + Changes in inventories + Manufacturing and operating expenses

\$ Working Capital = Current Assets - Current Liabilities

Earnings before Interest and Tax = Profit after exceptional item and before tax + Finance costs (recognized)

@Capital Employed = Average of equity and total borrowings

- i) **Return on Equity (%):** Return on equity has been decreased mainly because of Increase in total equity due to issue of Sweat Equity Shares and conversion of share warrants on premium. (Refer Note No 20 & 21)
- ii) **Trade Payables Turnover (times):** Improvement in creditors turnover ratio is mainly due to increase in purchases (on account of increased demand and sales) & reduction in average payment period in current year as compared to previous year.
- iii) **Return on Capital employed (%):** decrease in Return on Capital employed is mainly because of decrease in profit & Increase in total equity due to issue of Sweat Equity Shares and conversion of share warrants on premium.

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

57 DISCLOSURE UNDER IND AS 116 "LEASES"

The Company has lease contract for building used in its operations. Lease of Building have lease terms 3 years.

Amount recognised in Statement of profit or loss

| Particulars | (₹ in Lakhs) | |
|--|--|--|
| | Year ended 31 st March, 2023 | Year ended 31 st March, 2022 |
| Depreciation of right-of-use assets | 149 | 100 |
| Interest Income on Security Deposit | 19 | 51 |
| Interest Expenses on lease liabilities | 21 | 19 |

Maturity Pattern of lease liability

Finance Lease discounted

| Particulars | (₹ in Lakhs) | |
|-------------------|--|--|
| | Year ended 31 st March, 2023 | Year ended 31 st March, 2022 |
| Less than 1 years | 162 | 143 |
| 1-3 years | 57 | 219 |
| Total | 219 | 362 |

Movement of Lease Liability

| Particulars | (₹ in Lakhs) | |
|--|--|--|
| | Year ended 31 st March, 2023 | Year ended 31 st March, 2022 |
| As at 1st April, 2022 | 362 | - |
| Additions | - | 449 |
| Accretion of Interest | 21 | 19 |
| Payment | 164 | 106 |
| As at 31st March, 2023 | 219 | 362 |
| Current Lease Liability | 162 | 143 |
| Non Current Lease Liability | 57 | 219 |

Movement of Security Deposit

| Particulars | (₹ in Lakhs) | |
|--|--|--|
| | Year ended 31 st March, 2023 | Year ended 31 st March, 2022 |
| As at 1st April, 2022 | 1,751 | - |
| Additions | - | 1,700 |
| Accretion of Interest | 21 | 51 |
| Payment | - | - |
| As at 31st March, 2023 | 1,772 | 1,751 |
| Deferred Rent | 106 | 186 |

58 ADDITIONAL REGULATORY REQUIREMENTS AS REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013

- Title deeds of all immovable properties are held on the name of the Company.
- The Company has not revalued any Property, Plant and Equipments and Intangible Assets during the year.
- The Company has not given loan or advances in nature of loans to promoters, directors, KMPs and the related parties which is repayable on demands or without specifying any terms or period of repayment.
- There is no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- The Company is not declared a willful defaulter by any bank or financial Institution or other lender.
- As informed by the Management, there are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 by the Company during the year and there are no outstanding balance as on 31st March, 2023 with any struck off companies



**Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)**

- vii) There are no charges or satisfactions of charges which are yet to be registered with Registrar of Companies beyond the statutory period.
- viii) There is no investment made by the Company in other companies. Hence, there is no compliance required on the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- ix) The Company has complied with the Scheme of Arrangements approved by the competent authority in terms of section 230 to 237 of the Companies Act, 2013 during the previous year and accordingly has disclosed the effect of such arrangement in accordance with the Scheme and in accordance with the accounting standards as applicable.
- X) The Company has not advanced or loaned or invested funds to any other person or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- xi) The Company has not received any fund from any person or entities, including foreign entities (Funding Party) with the understanding that the Company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- xii) The Company has not surrendered or disclosed as income or the previously unrecorded income and related assets during the year in the tax assessments which are not recorded in the books of accounts of the Company
- xiii) Working Capital loan were applied for the purpose for which the loans were obtained
- xiv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year
- xv) The Company has taken working capital loans from various Banks .Company has filed quarterly statements of Current Assets with the banks that are in principle in agreement with the books of accounts.

59 SEGMENT INFORMATION

Operating Segment

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

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

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

(b) Revenues

| | (₹ in Lakhs) | |
|--------------|-----------------|-----------------|
| | 2022-23 | 2021-22 |
| Domestic | 1,95,851 | 1,51,641 |
| Export | 75,679 | 92,135 |
| TOTAL | 2,71,530 | 2,43,776 |

Revenues from external customers attributed to an individual foreign country are not material. The revenue from the foreign countries are attributed from the countries wherein the actual exports are made.

There are no assets in foreign countries held by the Company except the amounts due from the exports.

- (C) The Company does not have any major single customer / group of external customers having 10% of its revenue.**

Notes to Standalone Financial Statements
for the year ended 31st March, 2023 (Contd.)

60 CORPORATE SOCIAL RESPONSIBILITY

- a) Total expenditure incurred on Corporate Social Responsibility (CSR) activities during the year ended 31st March, 2023 is ₹ 278 Lakhs (during the year ended 31st March, 2022 is ₹ 89.49 Lakhs). This includes ₹ Nil Lakhs towards provision for up spent amount pertaining to ongoing projects (during the 31st March, 2022 is ₹ Nil Lakhs).

| Particulars | For the year ended | |
|--|------------------------------|------------------------------|
| | 31 st March, 2023 | 31 st March, 2022 |
| a) Amount required to be spent by the Company during the year | 147 | 33 |
| b) Amount of expenditure incurred on purpose other than construction/ acquisition of any asset | 278 | 89 |
| c) Excess spend of prior year set off during the year | 56 | - |
| d) Shortfall at the end of the year [(d)=(a)-(b)-(c)] | - | - |
| e) Total of previous year shortfall | - | - |
| f) Reason for shortfall | NA | NA |
| The CSR amount carry forward in next year. | 187 | 56 |

Expenditure related to Corporate Social Responsibility;

| Particulars | For the year ended | |
|---|------------------------------|------------------------------|
| | 31 st March, 2023 | 31 st March, 2022 |
| Environmental Sustainability | 38 | 10 |
| Promoting Education | 34 | 22 |
| Promoting Health Care | - | 37 |
| Rural Development | 74 | 5 |
| Promoting gender equality, empowering women | 120 | 3 |
| Promoting Sports | - | 1 |
| Sanitation and making available safe drinking water | 1 | - |
| Eradication Hunger, Poverty and Malnutrition | 11 | 11 |
| Total | 278 | 89 |

- b) Out of above ₹ 60.85 Lakhs (Previous Year ₹ 28.50 Lakhs) has been spent through M/s Badri Lal Soni Charitable Trust and ₹ 10.54 Lakhs (Previous year ₹ 10.54 Lakhs) spent through M/s Kesar Bai Soni Charitable Trust, which are related parties.

61 CONTRIBUTIONS TO POLITICAL PARTIES

Disclosure under the section 182(3)

| Particulars | For the year ended | |
|-----------------------------------|------------------------------|------------------------------|
| | 31 st March, 2023 | 31 st March, 2022 |
| Contribution to political parties | - | - |

62 DISCLOSURE OF LOAN, INVESTMENT, GURANTEE AND SECURITIES PROVIDED

Disclosure under the section 186(4)

| Particulars | For the year ended | |
|---|------------------------------|------------------------------|
| | 31 st March, 2023 | 31 st March, 2022 |
| Corporate Guarantee on behalf for subsidiary against loan obtained (Loan Amount ₹ 10,700 Lakhs) | 1011 | - |

The Guarantee has been provided for the loan taken by subsidiary for Business Purpose



Notes to Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

63 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

64 APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved for issue by the Board of Directors on April 28, 2023

The Board of Directors have recommended a dividend @20 % on equity share, subject to approval from the shareholders at the ensuing AGM..

65 Previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our Report of even date

For R Kabra & Co LLP

Chartered Accountants
(Firm Registration No 104502W/
W100721)

(Deepa Rathi)

Partner
Membership No.104808
UDIN: 23104808BGTSXJ3598

Place: Bhilwara

Date: 28th April, 2023

For O. P. Dad & Co.

Chartered Accountants
(Firm Registration No 002330C)

(O. P. Dad)

Partner
Membership No. 035373
UDIN: 23035373BGXMMY5890

Place : Bhilwara

Date: 28th April, 2023

For and on the Behalf of the Board

(R.P. Soni)

Chairman
(DIN 00401439)

(Dr. S. N. Modani)

Managing Director & CEO
(DIN 00401498)

(V. K. Sodani)

Executive Director
(DIN 00403740)

(Anurag Soni)

Director & CFO
(DIN 03407094)

(A. K. Jain)

Company Secretary
(M No: F-7842)

**CONSOLIDATED
FINANCIAL
STATEMENTS**



Independent Auditor's Report

To,
The Members of Sangam (India) Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Consolidated financial statements of Sangam (India) Limited (hereinafter referred to as "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2023, Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the auditor on separate financial statements of the subsidiary company, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Company as at 31st March, 2023, and its Consolidated profit including other comprehensive income, Consolidated changes in Equity and Consolidated Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial

Statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended 31st March, 2023. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

| The key audit matters | How our audit addressed the key audit matter |
|---|---|
| Key audit matter description | Principal Audit Procedures |
| 1. Capital Work In Progress (CWIP) Rs. 22298 lakhs (Refer Note 5 to the Consolidated Financials) Since the amount included and the expenditure incurred during the year was of substantial nature, it has been considered as key audit matter, so as to confirm proper accounting, compliance with the INDAS 16, controls and monitoring procedure for capitalization of CWIP. | Principal Audit Procedures performed Out Audit procedures included the following: <ol style="list-style-type: none"> We visited the site physically to verify the progress of the development of the facilities undertaken as per the contracts. We reviewed the management's procedure to review the periodic progress of the contracts and certification of the jobs carried out by the project management consultants for capital work in progress, based on the running bills submitted by the contractors. |

Independent Auditor's Report (Contd.)

| The key audit matters | How our audit addressed the key audit matter |
|--|---|
| | iii. We selected and checked a sample of invoices of the CWIP, the subsequent payment by the accounts department in accordance with the applicable terms and conditions and by approval by the proper authorities, authorised for the payment of the running bills iv. We verified payments made by the accounts, based on the approval by the proper authorities of the running bills with the bank statement. v. We discussed the issues and observations of Capital Work in Progress with the management/ accounts and finance team for clarification as and when required. |
| <p>2. Issue of Sweat Equity Shares</p> <p>Sweat Equity Shares Rs. 112.50 lakhs (Refer Note 20 to the standalone consolidated financial statements)</p> <p>Security Premium on Sweat Equity Shares Rs. 3681 lakhs (Refer Note 21 to the standalone consolidated financial statements)</p> <p>During the year, the Company has issued 11,25,000 equity shares of Rs.10/- each, as fully paid up sweat equity shares to the Executive Director & Chief Business Strategist, without payment being received in cash pursuant to contracts, at a premium of Rs. 327.18 each per share.</p> <p>Since the value of sweat equity share capital issued by the Company is of substantial and material amount, we have considered the audit of the above area to be a key audit matter for reporting purpose</p> | <p>Principal Audit Procedures performed</p> <p>Out Audit procedures included the following:</p> i. Enquiring with those charged with the governance and the key managerial personal about the procedure followed for issue of sweat equity shares ii. Reading the Special Board Resolution passed by the company specifying number of shares, current market price and classes of directors and employees to whom the shares were to be issued. (dated 17 th June, 2022) iii. Reading the Minutes of Extra Ordinary General Meeting of the Shareholders held on 16 th July 2022, for approval of the issue of shares iv. Referred the relevant provisions of the Companies Act 2013 as applicable to ascertain whether the same have been complied with; v. Review of various e-forms submitted to the Ministry of Corporate Affairs (MCA) in compliance with the provisions of the Companies Act 2013 and the relevant rules; vi. Review of valuation report issued by the registered valuer in accordance with the provisions of the Companies (Registered Valuers and Valuation) Rules 2017 vii. Verifying the accounting thereof in the books of accounts and disclosure in the financial statements in accordance with the Companies Act, 2013 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 viii. Reading the valuation report of shares issued by registered valuer. ix. Verifying the accounting thereof in the books of accounts and disclosure in the financial statements in accordance with the Companies Act, 2013 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021 |

Other Matter

1. The Consolidated Financial Statements includes financial statements of subsidiary Company which reflects total assets of Rs. 9800.85 lakhs as at 31st March, 2023, total revenues of Rs. 94.73, total net loss after tax of Rs.341.48 lakhs and net cash Outflow of Rs. 99.66 Lakhs for year then ended. These financial statements of the Subsidiary Company have been audited by one of the current joint auditors of the Holding Co. i.e. "O.P. Dad & Co.". Our opinion on the consolidated



Independent Auditor's Report (Contd.)

financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the one of the joint auditors.

2. We have relied on the opening audited balances as at 1st April 2022, the audit of which was conducted by the then erstwhile auditors of the Holding Company along with one of its current joint auditor "O. P. Dad & Co." who had issued an unmodified opinion

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

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

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

Responsibility of Management and those charged with Governance for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows of the Group in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of the directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and

prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, the respective Management and Board of Directors of the Company included in the Group are responsible for assessing the ability of each of the Company, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the Company included in the Group are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has

Independent Auditor's Report (Contd.)

adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on these assumptions. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity business activities within the Group of which we are the independent auditors, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by joint auditor, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion

Materiality is the magnitude of misstatements in the Consolidate Financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of Consolidated Financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the auditor on separate financial statements of the subsidiary company and the other financial information of subsidiary as noted in the 'other matter' paragraph we report, to the extent applicable that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
 - (d) In our opinion, the aforesaid Consolidated Financial statements comply with the Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

Independent Auditor's Report (Contd.)

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Consolidated Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the auditor on separate financial statements and the other financial information of subsidiary as noted in the 'other matter' paragraph:
- (i) The Consolidated Financial statements disclose the impact of pending litigations on its Consolidated Financial Position of the Group - Refer Note No. 52 to the consolidated financial statements.
- (ii) Provision has been made in the Consolidated Financial Statement, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long term contracts including derivative contracts
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiary during the year ended 31st March, 2023.
- (iv)
- (a) The respective management of the Holding Company and its Subsidiary Company incorporate in India whose financial statements have been audited under the Act has represented to us and one of the Joint Auditors of such subsidiary respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its Subsidiary Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its Subsidiary Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The respective management of the Holding Company or its Subsidiary Company, incorporated in India whose financial statements have been audited under the Act has represented to us that, and one of the Joint Auditors of such Subsidiary Company respectively that to the best of their knowledge and belief, as disclosed in the notes of accounts, no funds (which are material either individually or in the aggregate) have been received by the Holding Company and its Subsidiary Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its Subsidiary Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures performed by us and that performed by one of the Joint auditors of such Subsidiary Company as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation given by the management under paragraph (3)(g) (iv) (a) and (b) contain any material misstatement.
- (v) With regard to dividend declared and paid during the year by the Holding Company:
- (a) The Holding Company has paid Rs.890.93 lakhs as dividend during the year in respect of the dividend declared

Independent Auditor's Report (Contd.)

for the previous financial year ended 31st March 2022 and the same is in accordance with Section 123 of the Act, to the extent it applies to payment of dividend.

- (b) The Board of Directors of the Holding Company have proposed dividend @ 20 % on equity shares for the year ended 31st March 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer note no. 64)

2. With respect to the matter to be included in the Auditors' Report under section 197(16):

The remuneration paid by the Holding Company to its directors during the current year is within the limit as laid down in section 197 of the Act, based on the legal opinion obtained by the Company for not including sweat equity shares issued to one of the whole time directors, in the managerial remuneration.

Further, we report that the Subsidiary Company incorporated in India, whose financial statements have been audited under the Act, has not paid or provided

for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary Company.

3. With respect to the matters specified in paragraphs 3(xxi) of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report and according to the information and explanations given to us, and based on the CARO report issued by the auditor of the Subsidiary Company, included in the consolidated financial statements to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks given in the CARO report of the Subsidiary Company.

For R KABRA & CO LLP

Chartered Accountants
(Firm Registration No:
104502W/W100721)

Deepa Rathi

Partner
Membership No:104808
UDIN: 23104808BGTSXK1416
Place: Bhilwara
Dated: 28th April, 2023

For O. P. Dad & Co.

Chartered Accountants
Firm Registration No:
002330C

O. P. Dad

Partner
Membership No. 035373
UDIN: 23035373BGXMMZ5522
Place: Bhilwara
Dated: 28th April, 2023



Annexure "A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SANGAM (INDIA) LIMITED

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

Report on the Internal Financial Controls with reference to Consolidated Financial Statement under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Consolidated Financial Statement of Sangam (India) Limited (herein after called as "Holding Company") and its subsidiary company as of 31st March, 2023 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

In our opinion, the Holding Company and its Subsidiary has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31st March 2023, based on the internal financial controls with reference to Consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and subsidiary company, with reference to consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note

and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by one of the joint auditors in terms of their report referred to in the Other Matters paragraph below are sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and the Subsidiary Company's internal financial controls system with reference to consolidated Financial Statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control with reference to consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide

Annexure "A" to the Independent Auditor's Report on the Standalone Financial Statements of Sangam (India) Limited (Contd.)

reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements.

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

Other Matters

Our report under Section 143(3)(i) of the Act on adequacy and operating effectiveness of the internal controls of Holding Company, in so far as it relates to separate financial statements of Subsidiary Company, which is Company incorporated in India, is based on the corresponding report of the auditor of such Subsidiary Company.

For R KABRA & CO LLP

Chartered Accountants
(Firm Registration No:
104502W/W100721)

Deepa Rathi

Partner
Membership No:104808
UDIN: 23104808BGTSXK1416
Place: Bhilwara
Dated: 28th April, 2023

For O. P. Dad & Co.

Chartered Accountants
Firm Registration No:
002330C

O. P. Dad

Partner
Membership No. 035373
UDIN: 23035373BGXMMZ5522
Place: Bhilwara
Dated: 28th April, 2023



Consolidated Balance Sheet

as at 31st March, 2023

(₹ in Lakhs)

| Particulars | Notes | As at 31 st March, 2023 | As at 31 st March, 2022 |
|---|-------|---------------------------------------|---------------------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant & Equipment | 3 | 71,963 | 59,475 |
| Right of Use Assets | 4 | 240 | 349 |
| Capital Work-in-Progress | 5 | 22,298 | 7,393 |
| Intangible Assets | 6 | 324 | 354 |
| Intangible Assets under Development | 7 | 9 | 14 |
| Financial Assets | | | |
| (i) Investments | 8 | 75 | 79 |
| (ii) Other Financial Assets | 9 | 3,099 | 2,649 |
| Other Non Current Assets | | | |
| TOTAL NON-CURRENT ASSETS | 10 | 11,394 | 5,402 |
| Current Assets | | | |
| Inventories | 11 | 51,336 | 52,797 |
| Financial Assets | | | |
| (i) Investments | 12 | 686 | - |
| (ii) Trade Receivables | 13 | 35,282 | 37,643 |
| (iii) Cash and Cash equivalents | 14 | 20 | 113 |
| (iv) Bank balances other than (iii) above | 15 | 2,777 | 2,117 |
| (v) Other Current Financial Assets | 16 | 5,608 | 6,058 |
| Current Tax Assets (Net) | 17 | 701 | - |
| Other Current Assets | 18 | 10,244 | 7,180 |
| Assets for Sale | 19 | - | 776 |
| TOTAL CURRENT ASSETS | | 1,06,654 | 1,06,684 |
| TOTAL ASSETS | | 2,16,056 | 1,82,399 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 20 | 4,505 | 4,342 |
| Other Equity | 21 | 81,468 | 64,686 |
| Share Warrants | 22 | 2,340 | 2,565 |
| TOTAL EQUITY | | 88,313 | 71,593 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| (i) Borrowings | 23 | 33,953 | 18,055 |
| (ia) Lease Liability | 24 | 95 | 219 |
| (ii) Other Financial Liabilities | 25 | 1,011 | - |
| Deferred Tax Liabilities (Net) | 26 | 3,470 | 3,786 |
| TOTAL NON-CURRENT LIABILITIES | | 38,529 | 22,060 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| (i) Borrowings | 27 | 48,420 | 42,614 |
| (ia) Lease Liability | 28 | 165 | 143 |
| (ii) Trade Payables (Includes Acceptances) | 29 | | |
| a) Total outstanding dues of Micro enterprises and Small enterprises | | 1,182 | 1,128 |
| b) Total outstanding dues of Creditors other than Micro enterprises and Small enterprises | | 21,505 | 27,615 |
| (iii) Other Financial Liabilities | 30 | 13,725 | 13,190 |
| Other Current Liabilities | 31 | 1,886 | 1,773 |
| Current Tax Liabilities (Net) | 32 | - | 384 |
| Provisions | 33 | 2,331 | 1,899 |
| TOTAL CURRENT LIABILITIES | | 89,214 | 88,746 |
| TOTAL EQUITY AND LIABILITIES | | 2,16,056 | 1,82,399 |

Significant accounting policies and notes on financial statements

1 to 65

As per our Report of even date**For R Kabra & Co LLP**Chartered Accountants
(Firm Registration No 104502W/
W100721)**(Deepa Rathi)**Partner
Membership No.104808
UDIN: 23104808BGTSXK1416Place: Bhilwara
Date: 28th April, 2023**For O. P. Dad & Co.**Chartered Accountants
(Firm Registration No 002330C)**(O. P. Dad)**Partner
Membership No. 035373
UDIN: 23035373BGXMMZ5522Place : Bhilwara
Date: 28th April, 2023**For and on the Behalf of the Board****(R.P. Soni)**Chairman
(DIN 00401439)**(Dr. S. N. Modani)**Managing Director & CEO
(DIN 00401498)**(Anurag Soni)**Director & CFO
(DIN 03407094)**(V. K. Sodani)**Executive Director
(DIN 00403740)**(A. K. Jain)**Company Secretary
(M No: F-7842)

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2023

(₹ in Lakhs)

| Particulars | Notes | 2022-23 | 2021-22 |
|--|-------|-----------------|-----------------|
| INCOME | | | |
| Revenue from Operations | 34 | 2,71,230 | 2,43,776 |
| Other Income | 35 | 1,714 | 714 |
| Total Income | | 2,72,944 | 2,44,490 |
| EXPENSES | | | |
| Cost of Materials Consumed | 36 | 1,57,738 | 1,33,483 |
| Purchase of Traded Goods | 37 | 5,074 | 4,476 |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 38 | (9,477) | (3,567) |
| Employee Benefits Expenses | 39 | 23,123 | 20,095 |
| Finance Costs | 40 | 5,391 | 4,780 |
| Depreciation and Amortization Expense | 41 | 7,939 | 7,034 |
| Power & Fuel | 42 | 30,232 | 24,539 |
| Other Expenses | 43 | 34,383 | 34,012 |
| Total Expenses | | 2,54,403 | 2,24,852 |
| Profit Before Exceptional Item and Tax | | 18,541 | 19,638 |
| Exceptional Items | 44 | 2,575 | 1,229 |
| Profit Before Tax | | 15,966 | 18,409 |
| Tax Expenses | | | |
| Current Tax | | 3,920 | 5,304 |
| Deferred Tax | | (346) | (1,389) |
| Tax Expense for Earlier Years | | (662) | 429 |
| Total Tax Expenses | | 2,912 | 4,344 |
| Profit After Tax | | 13,054 | 14,065 |
| Less:- Total Comprehensive Income/ (Loss) of erstwhile Amalgamating Company for previous year ended on 31 st March, 2021. | 45(b) | - | (71) |
| Profit for the year | | 13,054 | 13,994 |
| Other comprehensive income | 46 | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of defined benefit plans | | 107 | 164 |
| Tax relating to remeasurement of defined benefit plans | | (27) | (41) |
| | | 80 | 123 |
| Items that will be reclassified to profit or loss | | | |
| Fair value changes on derivatives designated as cash flow hedges | | 11 | (25) |
| Tax on items that will be reclassified subsequently to Profit & Loss | | (3) | 6 |
| | | 8 | (19) |
| Total Other Comprehensive Income for the year | | 88 | 104 |
| Total Comprehensive Income for the year | | 13,142 | 14,098 |
| Earnings per equity share of face value of ₹ 10 each | | | |
| Basic EPS before exceptional items | 47 | 35.21 | 35.06 |
| Basic EPS after exceptional items | | 29.41 | 32.23 |
| Diluted EPS Before exceptional items | | 32.64 | 34.87 |
| Diluted EPS after exceptional items | | 27.26 | 32.06 |

Significant accounting policies and notes on financial statements

1 to 65

As per our Report of even date

For R Kabra & Co LLP
Chartered Accountants
(Firm Registration No 104502W/
W100721)

(Deepa Rathi)
Partner
Membership No.104808
UDIN: 23104808BGT SXK1416

Place: Bhilwara
Date: 28th April, 2023

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

(O. P. Dad)
Partner
Membership No. 035373
UDIN: 23035373BGXMMZ5522

Place : Bhilwara
Date: 28th April, 2023

For and on the Behalf of the Board

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

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

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

(Anurag Soni)
Director & CFO
(DIN 03407094)

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



Consolidated Cash Flow Statement

for the year ended 31st March, 2023

(₹ in Lakhs)

| Particulars | 2022-23 | 2021-22 |
|---|-----------------|-----------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit Before Tax | 15,966 | 18,408 |
| Adjustments for :- | | |
| Depreciation and Amortization Expense | 7,940 | 7,034 |
| Finance Costs | 5,391 | 4,780 |
| Bad Debts / Allowance for Doubtful Debts | 274 | 2,180 |
| Advances Written Off | 454 | 128 |
| Interest Income | (578) | (418) |
| Foreign Exchange Fluctuation Gain/ (Loss) (Net) | 623 | (318) |
| Non cash consideration in respect of sweat equity shares | 1,138 | - |
| Employee Retirement Benefits | 107 | 403 |
| Profit on Sale of Property, Plant & Equipments (Net) | (722) | (120) |
| Operating Profit before working capital changes | 30,593 | 32,077 |
| Movements in Working Capital :- | | |
| (Increase) / Decrease in Inventories | 1,462 | (15,644) |
| (Increase) / Decrease in Trade Receivables | 1,605 | (10,133) |
| (Increase) / Decrease in Other Financial Assets | 3,049 | (563) |
| (Increase) / Decrease in Other Assets | (6,992) | (3,138) |
| Increase / (Decrease) in Trade Payables | (6,227) | 20,348 |
| Increase / (Decrease) in Other Financial Liabilities | 2,424 | 4,961 |
| Increase / (Decrease) in Provisions | 443 | 363 |
| Increase / (Decrease) in Other Liabilities | (437) | 745 |
| Cash Generated from Operations | 25,920 | 29,016 |
| Taxes Paid / (Refund) (Net) | 4,342 | 4,540 |
| Net Cash Inflow / (Out Flow) from Operating Activities | 21,578 | 24,476 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Property, Plant & Equipments # (Include CWIP, Capital Advance etc.) | (38,907) | (20,399) |
| Sale of Property, Plant & Equipments | 1,823 | 865 |
| Interest Income | 630 | 409 |
| Investment made during the Year | - | - |
| Sale of Investment / (Purchase) (Net) | 1,099 | (70) |
| Net Cash Inflow / (Outflow) from Investing Activities | (35,355) | (19,195) |
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of Equity Share Capital (Including Share Premium) | 2,912 | - |
| Less-Non cash consideration in respect of sweat equity shares | (3,793) | - |
| Proceeds from issue of Share Warrant | (225) | 2,565 |
| Proceeds from Long Term Borrowings | 23,999 | 4,079 |
| Repayment of Long Term Borrowings | (8,101) | (6,463) |
| Increase / (Decrease) in Short- Term Borrowings | 5,806 | 987 |
| Finance Costs | (5,361) | (4,796) |
| Dividend Paid | (893) | (433) |
| Net Cash Inflow / (Out Flow) from Financing Activities | 14,344 | (4,061) |
| Net Increase/(Decrease) in Cash & Cash equivalents | 567 | 1,220 |
| Cash and Cash Equivalents at the Beginning | 2,230 | 1,010 |
| Cash and Cash Equivalents at the End | 2,797 | 2,230 |

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

Consolidated Cash Flow Statement
for the year ended 31st March, 2023 (Contd.)

Change in Liability arising from financing activities

(₹ in Lakhs)

| Particulars | As at 31 st March 2022 | Cash Flow | Adjustment on account of regrouping | As at 31 st March 2023 |
|--|-----------------------------------|---------------|-------------------------------------|-----------------------------------|
| Borrowings - Non Current (Refer Note No. 23) | 18,055 | 15,898 | - | 33,953 |
| Borrowings - Current (Refer Note No. 27) | 42,614 | 5,806 | - | 48,420 |
| Total | 60,669 | 21,704 | - | 82,373 |

(₹ in Lakhs)

| Particulars | As at 31 st March 2021 | Cash Flow | Adjustment on account of regrouping | As at 31 st March 2022 |
|--|-----------------------------------|----------------|-------------------------------------|-----------------------------------|
| Borrowings - Non Current (Refer Note No. 23) | 20,437 | (2,382) | - | 18,055 |
| Borrowings - Current (Refer Note No. 27) | 38,513 | 987 | 3,114 | 42,614 |
| Total | 58,950 | (1,395) | 3,114 | 60,669 |

As per our Report of even date

For R Kabra & Co LLP
Chartered Accountants
(Firm Registration No 104502W/
W100721)

(Deepa Rathi)
Partner
Membership No.104808
UDIN: 23104808BGTSXK1416

Place: Bhilwara
Date: 28th April, 2023

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

(O. P. Dad)
Partner
Membership No. 035373
UDIN: 23035373BGXMMZ5522

Place: Bhilwara
Date: 28th April, 2023

For and on the Behalf of the Board

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

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

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

(Anurag Soni)
Director & CFO
(DIN 03407094)

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



Consolidated Statement of Changes in Equity

for the year ended 31st March, 2023

(a) Equity share capital

(₹ in Lakhs)

| | As at 31 st March, 2023 | | As at 31 st March, 2022 | |
|---|------------------------------------|--------------|------------------------------------|--------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Balance at the beginning of the year | 4,34,21,559 | 4,342 | 4,34,21,559 | 4,342 |
| Changes in Equity Share Capital due to prior period errors | - | - | - | - |
| Restated balance at the beginning of the current reporting period | 4,34,21,559 | 4,342 | 4,34,21,559 | 4,342 |
| Changes in equity share capital during the year | 16,25,000 | 163 | - | - |
| Balance at the year end (Refer Note no.20) | 4,50,46,559 | 4,505 | 4,34,21,559 | 4,342 |

(b) Other equity

(₹ in Lakhs)

| Particulars | Reserves and Surplus | | | | | Other Comprehensive Income | Total |
|--|----------------------|-------------------|-----------------|---|--------------------|---------------------------------------|---------------|
| | General Reserve | Retained Earnings | Capital Reserve | Preference Share Capital Redemption Reserve | Securities Premium | Effective Portion of Cash Flow Hedges | |
| Balance at 01st April, 2021 | 22,818 | 19,108 | 297 | 1,178 | 7,468 | 24 | 50,892 |
| Profit for the year | - | 14,065 | - | - | - | - | 14,065 |
| Other comprehensive income/ (loss) for the year | - | 123 | - | - | - | (19) | 104 |
| Total comprehensive income for the year | - | 14,188 | - | - | - | (19) | 14,169 |
| Dividend paid | - | (435) | - | - | - | - | (435) |
| On account of merger of subsidiary company (Refer Note No. 53 (a)) | - | 59 | - | - | - | - | 59 |
| Balance at 31st March, 2022 | 22,818 | 32,920 | 297 | 1,178 | 7,468 | 5 | 64,686 |
| Balance at the beginning of the reporting year | 22,818 | 32,920 | 297 | 1,178 | 7,468 | 5 | 64,686 |
| Profit for the year | - | 13,054 | - | - | - | - | 13,054 |
| Other comprehensive income for the year | - | 80 | - | - | - | 8 | 88 |
| Total comprehensive income for the year | - | 13,134 | - | - | - | 8 | 13,142 |
| Security premium on Issue of Equity Shares | - | - | - | - | 4,531 | - | 4,531 |
| Dividend paid | - | (891) | - | - | - | - | (891) |
| Balance at 31st March, 2023 | 22,818 | 45,163 | 297 | 1,178 | 11,999 | 13 | 81,468 |

The accompanying notes are an integral part of these financial statements

As per our Report of even date

For R Kabra & Co LLP
Chartered Accountants
(Firm Registration No 104502W/
W100721)

(Deepa Rathi)
Partner
Membership No.104808
UDIN: 23104808BGTSXK1416

Place: Bhilwara
Date: 28th April, 2023

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

(O. P. Dad)
Partner
Membership No. 035373
UDIN: 23035373BGXMMZ5522

Place: Bhilwara
Date: 28th April, 2023

For and on the Behalf of the Board

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

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

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

(Anurag Soni)
Director & CFO
(DIN 03407094)

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

Consolidated Notes on Financial Statements

for the year ended 31st March, 2023

1. GENERAL INFORMATION:

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

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

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

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

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

The holding company has a wholly owned subsidiary company (hereinafter collectively called "the group" or "the Company") and accordingly these consolidated financial statements have been prepared by the group consisting of accounts of the parent and its wholly owned subsidiary.

2. BASIS OF ACCOUNTING

2.1 The notes including significant policies to the Consolidated Financial Statements are intended to serve as a guide for better understanding of the Group's position. In this respect, the Company has disclosed such notes and policies which represent the required disclosure.

2.2 The list of subsidiaries included in the Consolidated Financial Statements are as under:

| Sl. No. | Name of subsidiary company | Country of incorporation | Proportion of ownership interest and voting power (%) |
|---------|----------------------------|--------------------------|---|
| 1. | Sangam Ventures Limited | India | 100% |

The subsidiary company was incorporated on 03rd December, 2021 and became the wholly owned subsidiary of the parent company from the date of incorporation.

2.3 Other Equity shown in the Consolidated Balance Sheet and profit in the Consolidated Statement of Profit & Loss, Other Comprehensive income, Total Comprehensive income is after setting off the Group's share in the loss of the wholly owned subsidiary.

2(A) Principles of consolidation

- (i) The consolidated financial statements incorporate the financial statements of the Parent Company and its wholly owned subsidiary. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as a subsidiary. The Parent Company together with its subsidiary constitutes the Group. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.
- (ii) Consolidation of a subsidiary begins when the Parent Company, directly or indirectly, obtains control over the subsidiary and ceases when the Parent Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated Statement of Profit and Loss from the date the Parent Company, directly or indirectly, gains control until the date when the Parent Company, directly or indirectly, ceases to control the subsidiary.
- (iii) The consolidated financial statements of the Group combine financial statements of the Parent Company and its subsidiary line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealized profits/losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiary have been harmonized to ensure the consistency with the policies adopted by the Parent Company. The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company.

- (iv) The gains/losses in respect of part divestment/dilution of stake in subsidiary companies not resulting in ceding of control are recognized directly in other equity attributable to the owners of the Parent Company.

3. BASIS OF PREPARATION:

A. Statement of compliance

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



Notes to Consolidated Financial Statements for the year ended 31st March, 2023 (Contd.)

These financial statements were approved for issue in accordance with the resolution of the Board of Directors in their meeting held on April 28, 2023.

B. Functional and presentation currency

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

C. Basis of measurement

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

| Assets | Useful Life estimated by the management (Based on Technical Evaluation) | Useful Life as per Schedule II of Companies Act, 2013. |
|--|---|--|
| Plant and Equipment and Electrical Installations: | | |
| (i) For Textiles | 9.19 years | 10 years |
| (ii) For Power Generation | 18 years | 40 years |

D. Use of estimates and judgements

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

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

Judgments

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

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

of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

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

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

E. Measurement of fair values

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

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

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

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

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

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value

Notes to Consolidated Financial Statements for the year ended 31st March, 2023 (Contd.)

of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

3.1 SIGNIFICANT ACCOUNTING POLICIES:

A. Current and non-current classification

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

Assets:

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

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

Liabilities:

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

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

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

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

Assets held for sale:

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

B. Property, plant and equipment (PPE)

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

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

Depreciation is recognized using straight line method so as to write off the cost of the assets (other than freehold land and properties under construction) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Any excess of net sale proceeds of items produced over the cost of testing, if any, is deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment.

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

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

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.



**Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)**

Assets acquired under finance leases are depreciated on a straight line basis over the lease term. Where there is reasonable certainty that the Company shall obtain ownership of the assets at the end of the lease term, such assets are depreciated based on the useful life prescribed under Schedule II to the Companies Act, 2013 or based on the useful life adopted by the Company for similar assets.

Freehold land is not depreciated.

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

C. Depreciation and amortization:

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

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

| Assets | Useful Life estimated by the management (Based on Technical Evaluation) |
|--|--|
| Plant and Equipment and Electrical Installations: | |
| (i) For Textiles | 9.19 years |
| (ii) For Power Generation | 18 years |

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

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

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

plant and equipment is sold, discarded, demolished or scrapped.

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

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

D. Intangible assets

Intangible assets that are acquired by the Company, that have finite useful lives, are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

Subsequent expenditures related to an item of intangible assets are added to its carrying amount when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Any gains and losses on disposal of such intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

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

Amortization

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

| Intangible assets | Useful life Amortization method used |
|--------------------------|---|
| Computer software | Finite (5 years) |

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

E. Research and development expenditure on new products:

(i) Expenditure on research is expensed under respective heads of account in the period in which it is incurred.

Notes to Consolidated Financial Statements for the year ended 31st March, 2023 (Contd.)

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

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

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

F. Impairment of assets

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

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

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

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

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

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

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

G. Financial Instruments

i. Financial assets

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

All financial assets are recognized at fair value on initial recognition except trade receivables.

Financial assets are subsequently classified as measured at:

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

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

Derecognition

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



Notes to Consolidated Financial Statements for the year ended 31st March, 2023 (Contd.)

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on:

- Financial assets measured at amortized cost;

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

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

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

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

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

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

ii. Financial liabilities

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

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

Derecognition

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

iii. Offsetting financial instruments

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

iv. Derivative financial instruments and hedging activities

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

- (a) hedges of the fair value of recognized assets or liabilities (fair value hedges); or

Notes to Consolidated Financial Statements for the year ended 31st March, 2023 (Contd.)

- (b) hedges of a particular risk associated with a firm commitment or a highly probable forecasted transaction (cash flow hedges).

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items.

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

(a) Fair value hedges

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

(b) Cash flow hedges

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

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

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

H. Borrowing costs

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

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

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

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

I. Income tax

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

Current tax

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

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.



**Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)**

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- Temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction;
- Temporary differences related to investment in subsidiary to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets- unrecognized or recognized, are reviewed at each reporting date and are recognized /reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized.

J. Inventories

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

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

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

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

K. Cash and cash equivalents

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

L. Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities.

Cash flow from operating activities is reported using indirect method, adjusting the profit before tax excluding exceptional items for the effects of:

- (i) changes during the period in inventories and operating receivables and payables, transactions of a non-cash nature;
- (ii) non-cash items such as depreciation, provisions, unrealized foreign currency gains and losses; and
- (iii) all other items for which the cash effects are investing or financing cash flows. Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet

M. Foreign currency translation

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

At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognized in profit or loss in the period in which they arise except for:

- A. exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the

Notes to Consolidated Financial Statements for the year ended 31st March, 2023 (Contd.)

cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and

- B. exchange differences on transactions entered into in order to hedge certain foreign currency risks.

N. Employee benefits

i. Defined benefit obligations

(a) Post-employment benefits (Gratuity):

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

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

(b) Other employee benefits:

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

ii. Defined contribution plan:

Company pays contributions to provident fund, employee pension scheme and employee state insurance as per statutes/ amounts as advised by the Authorities. The Company has no further obligations once the contributions have been paid. The contributions are accounted for as defined contribution plan and the contributions are recognized as employee benefit expense when they are due.

iii. Short-term benefits:

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

presented as current employee benefit obligations in the balance sheet.

O. Provision and contingent liabilities

The Company sets up a provision when there is a present legal or constructive obligation as a result of a past event and it will probably require an outflow of resources to settle the obligation and a reliable estimate can be made. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or where reliable estimate of the obligation cannot be made. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

In case of Onerous Contracts the Company is recognizing impairment loss is any, occurred on assets used in fulfilling the contract, before making any further provisions on such onerous contracts.

P. Contingent Assets

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

Q. Revenue recognition

(i) Revenue from operations

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

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction



**Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)**

price (Net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of discounts, rebates, credits, price incentives or similar terms.

A. Sale of goods

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

Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

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

B. Rendering of services

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

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

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

C. Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

(ii) Other income

A. Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate.

B. Dividend income is accounted in the period in which the right to receive the same is established.

C. Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably

R. Exceptional items

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

S. Government grants

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

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

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

T. Segment reporting

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

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

U. Leases

As lessee

The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of

Notes to Consolidated Financial Statements for the year ended 31st March, 2023 (Contd.)

an identified asset. The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

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

Initial measurement

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

Subsequent measurement

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

Impairment:

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

Short term Lease or Low Value Lease

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. Low value lease is for which the underlying asset is of low value. If the Company elected to apply short term lease/Low Value Lease, the lessee shall recognize the lease payments associated with those leases as an

expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has adopted Ind AS 116, effective annual reporting period beginning 01st April, 2019 and applied the standard prospectively to its leases.

V. Earnings per share

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

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

W. Standards issued but not effective

The Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from 01st April, 2023.

- I. Ind AS 107 - Financial Instrument Disclosures.
- II. Ind AS 109 - Financial Instrument
- III. Ind AS 115 - Revenue from contracts with customers
- IV. Ind AS 1 - Presentation of Financial Statements
- V. Ind AS 34 - Interim Financial Reporting

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



Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)

3. PROPERTY, PLANT AND EQUIPMENT

As at 31st March 2023

(₹ in Lakhs)

| Particulars | Gross Block | | | | Depreciation | | | | Net Block | | |
|---------------------------|------------------------------------|---------------|--------------|------------------------------------|------------------------------------|--------------|--------------|------------------------------------|------------------------------------|------------------------------------|--|
| | As at 31 st March, 2022 | Additions | Deletions | As at 31 st March, 2023 | As at 31 st March, 2022 | Additions | Deletions | As at 31 st March, 2023 | As at 31 st March, 2023 | As at 31 st March, 2022 | |
| Tangible Assets | | | | | | | | | | | |
| Freehold land | 3,137 | 1,096 | 95 | 4,138 | - | - | - | - | 4,138 | 3,137 | |
| Building | 23,046 | 3,360 | 5 | 26,401 | 3,982 | 871 | - | 4,853 | 21,548 | 19,064 | |
| Plant and Machinery | 61,052 | 12,560 | 2,231 | 71,381 | 29,264 | 5,649 | 1,933 | 32,980 | 38,401 | 31,788 | |
| Wind Power Machines | 874 | - | - | 874 | 684 | 83 | - | 767 | 107 | 190 | |
| Electric installation | 5,966 | 2,638 | 2 | 8,602 | 3,112 | 622 | 2 | 3,732 | 4,870 | 2,854 | |
| Water supply installation | 584 | 65 | - | 649 | 125 | 24 | - | 149 | 500 | 459 | |
| Furniture and fixtures | 1,455 | 156 | - | 1,611 | 795 | 140 | - | 935 | 676 | 660 | |
| Vehicles | 1,870 | 610 | 178 | 2,302 | 795 | 202 | 101 | 896 | 1,406 | 1,075 | |
| Office equipments | 108 | 36 | 4 | 140 | 61 | 14 | 4 | 71 | 69 | 47 | |
| Computers | 513 | 122 | - | 635 | 356 | 74 | - | 430 | 205 | 157 | |
| Leased Assets | | | | | | | | | | | |
| Leasehold land | 50 | - | - | 50 | 6 | 1 | - | 7 | 43 | 44 | |
| Total | 98,655 | 20,643 | 2,515 | 1,16,783 | 39,180 | 7,680 | 2,040 | 44,820 | 71,963 | 59,475 | |

As at 31st March 2022

(₹ in Lakhs)

| Particulars | Gross Block | | | | Depreciation | | | | Net Block | | |
|---------------------------|------------------------------------|---------------|--------------|------------------------------------|------------------------------------|--------------|--------------|------------------------------------|------------------------------------|------------------------------------|--|
| | As at 31 st March, 2021 | Additions | Deletions | As at 31 st March, 2022 | As at 31 st March, 2021 | Additions | Deletions | As at 31 st March, 2022 | As at 31 st March, 2022 | As at 31 st March, 2021 | |
| Tangible Assets | | | | | | | | | | | |
| Freehold land | 2,735 | 404 | 2 | 3,137 | - | - | - | - | 3,137 | 2,735 | |
| Building | 20,910 | 3,083 | 947 | 23,046 | 3,614 | 761 | 393 | 3,982 | 19,064 | 17,296 | |
| Plant and Machinery | 62,703 | 6,813 | 8,464 | 61,052 | 30,338 | 5,010 | 6,084 | 29,264 | 31,788 | 32,365 | |
| Wind Power Machines | 874 | - | - | 874 | 570 | 114 | - | 684 | 190 | 304 | |
| Electric installation | 5,925 | 66 | 25 | 5,966 | 2,608 | 528 | 24 | 3,112 | 2,854 | 3,317 | |
| Water supply installation | 578 | 6 | - | 584 | 103 | 22 | - | 125 | 459 | 475 | |
| Furniture and fixtures | 1,429 | 35 | 9 | 1,455 | 667 | 135 | 7 | 795 | 660 | 762 | |
| Vehicles | 1,839 | 165 | 134 | 1,870 | 699 | 193 | 97 | 795 | 1,075 | 1,140 | |
| Office equipments | 71 | 37 | - | 108 | 53 | 8 | - | 61 | 47 | 18 | |
| Computers | 416 | 97 | - | 513 | 303 | 53 | - | 356 | 157 | 113 | |
| Leased Assets | | | | | | | | | | | |
| Leasehold land | 50 | - | - | 50 | 5 | 1 | - | 6 | 44 | 45 | |
| Total | 97,530 | 10,706 | 9,581 | 98,655 | 38,960 | 6,825 | 6,605 | 39,180 | 59,475 | 58,570 | |

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)**4. RIGHT OF USE OF ASSETS****As at 31st March 2023**

(₹ in Lakhs)

| Particulars | Gross Block | | | Depreciation | | | | Net Block | | |
|-------------|------------------------------------|-----------|-----------|------------------------------------|------------------------------------|-----------|-----------|------------------------------------|------------------------------------|------------------------------------|
| | As at 31 st March, 2022 | Additions | Deletions | As at 31 st March, 2023 | As at 31 st March, 2022 | Additions | Deletions | As at 31 st March, 2023 | As at 31 st March, 2023 | As at 31 st March, 2022 |
| Building | 449 | 41 | - | 490 | 100 | 150 | - | 250 | 240 | 349 |

As at 31st March 2022

(₹ in Lakhs)

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

5. CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

| | |
|--|---------------|
| Balance as at 01st April, 2021 | 881 |
| Additions | 16,039 |
| Assets Capitalized | 9,527 |
| Balance as at 31st March, 2022 | 7,393 |
| Additions | 34,452 |
| Assets Capitalized | 19,547 |
| Balance as at 31st March, 2023 | 22,298 |

Capital work-in-progress - Ageing

(₹ in Lakhs)

| Particulars | Amount in CWIP for a period of | | | | Total |
|--|--------------------------------|--------------|-----------|-------------------|---------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | | | | | |
| As at 31st March, 2023 | 18,117 | 4,181 | - | - | 22,298 |
| As at 31st March, 2022 | 6,460 | 809 | 119 | 5 | 7,393 |

The estimated original date of completion of "Phase II Sareri Cotton Project" has been extended from 01st April, 2023 to 30th September, 2023.

As on date of Balance Sheet, the estimated date of completion of projects are as below :-

| Name of Projects | Estimated date of Completion |
|---------------------------|----------------------------------|
| Cotton Project - Phase II | 30 th September, 2023 |
| Denim Project | 30 th September, 2023 |
| Weaving Project | 30 th September, 2023 |

6. INTANGIBLE ASSETS**As at 31st March 2023**

(₹ in Lakhs)

| Particulars | Gross Block | | | Depreciation | | | | Net Block | | |
|-------------------|------------------------------------|-----------|-----------|------------------------------------|------------------------------------|------------|-----------|------------------------------------|------------------------------------|------------------------------------|
| | As at 31 st March, 2022 | Additions | Deletions | As at 31 st March, 2023 | As at 31 st March, 2022 | Additions | Deletions | As at 31 st March, 2023 | As at 31 st March, 2023 | As at 31 st March, 2022 |
| Software IT (ERP) | 592 | 79 | - | 671 | 238 | 109 | - | 347 | 324 | 354 |
| Total | 592 | 79 | - | 671 | 238 | 109 | - | 347 | 324 | 354 |

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)As at 31st March 2022

(₹ in Lakhs)

| Particulars | Gross Block | | | | Depreciation | | | | Net Block | |
|-------------------|------------------------------------|-----------|-----------|------------------------------------|------------------------------------|------------|-----------|------------------------------------|------------------------------------|------------------------------------|
| | As at 31 st March, 2021 | Additions | Deletions | As at 31 st March, 2022 | As at 31 st March, 2021 | Additions | Deletions | As at 31 st March, 2022 | As at 31 st March, 2022 | As at 31 st March, 2021 |
| Software IT (ERP) | 590 | 2 | - | 592 | 129 | 109 | - | 238 | 354 | 461 |
| Total | 590 | 2 | - | 592 | 129 | 109 | - | 238 | 354 | 461 |

7. INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Lakhs)

| | |
|--|-----------|
| Balance as at 01st April, 2021 | - |
| Additions | 15 |
| Assets Capitalized | 1 |
| Balance as at 31st March, 2022 | 14 |
| Additions | 18 |
| Assets Capitalized | 23 |
| Balance as at 31st March, 2023 | 9 |

Intangible assets under development - Ageing

(₹ in Lakhs)

| Particulars | Amount in Intangible assets under development for a period of | | | | Total |
|--|---|-----------|-----------|-------------------|-----------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | | | | | |
| As at 31st March, 2023 | 9 | - | - | - | 9 |
| As at 31st March, 2022 | 14 | - | - | - | 14 |

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

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|---|---------------------------------------|---------------------------------------|
| Opening Balance | 398 | 3 |
| Financial Charges | 428 | 334 |
| Direct Costs Attributable to Project | 1,192 | 265 |
| Total Amount | 2,018 | 602 |
| Less: Exp. Apportioned to Property, Plant and Equipment | 968 | 204 |
| Balance yet to be allocated | 1,050 | 398 |

Note 1:- Borrowing cost capitalized refer Note No:- 40**Note 2:-** Property, Plant and Equipment given as security for borrowings refer Note No:- 27

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)

8 INVESTMENTS-NON CURRENT

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| (₹ in Lakhs) | | |
| Unquoted | | |
| In Equity Instruments | | |
| (Measured at Cost) | | |
| Equity Shares of ₹ 10/- each fully paid up | | |
| Kaamlo Platform Private Limited | 75 | 75 |
| 49,999 (Previous Year 49,999) | | |
| PKSS Infrastructure Private Limited | - | - |
| 3,900 (Previous Year 3900) ₹ 0.39 Lakh (Previous Year ₹ 0.39 Lakh) | | |
| Less: Impairment Loss-₹ 0.39 Lakhs (previous year NIL) | - | - |
| Kalyan Sangam Infratech Limited | 4 | 4 |
| 37500 (Previous Year 37500) | | |
| Less: Impairment Loss | (4) | - |
| Equity Shares of ₹ 20/- each fully paid | | |
| AP Mahesh Co-Operative Bank Limited | - | - |
| 50 (Previous Year 50) | | |
| ₹ 0.01 Lakh (Previous Year ₹ 0.01 Lakh) | | |
| Aggregate Amount of unquoted investments | 75 | 79 |

9 OTHER FINANCIAL ASSETS

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|---|---------------------------------------|---------------------------------------|
| (₹ in Lakhs) | | |
| Security Deposits (Unsecured considered good) | 3,099 | 2,649 |
| TOTAL | 3,099 | 2,649 |
| Includes deposits with related parties | 1,541 | 1,711 |

10 OTHER NON-CURRENT ASSETS

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--------------------------------------|---------------------------------------|---------------------------------------|
| (₹ in Lakhs) | | |
| Capital Advances | 7,534 | 5,106 |
| Prepaid Expenses (Refer Note No. 44) | 3,860 | 296 |
| TOTAL | 11,394 | 5,402 |

11 INVENTORIES

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|-------------------------------------|---------------------------------------|---------------------------------------|
| (₹ in Lakhs) | | |
| Raw Materials | 14,866 | 24,042 |
| Stock-in-Process | 9,434 | 7,817 |
| Finished Goods (Refer Note No 11.3) | 24,062 | 16,202 |
| Traded Goods | 176 | 188 |
| Stores, Spares & Fuel | 2,798 | 4,548 |
| TOTAL | 51,336 | 52,797 |

11.1 For basis of valuation of Inventories, refer Note No 2 (J)

11.2 The above inventories are hypothecated against secured short term borrowings (Refer Note No 27.1)

11.3 Finish Goods includes Goods in Transit ₹ 4301 Lakhs , previous year ₹ 2112 Lakhs.



Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)

12 INVESTMENT - CURRENT

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| Investment in Mutual fund measured at fair value through profit and loss | 686 | - |
| TOTAL | 686 | - |

13 TRADE RECEIVABLES

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| Undisputed Trade Receivables - Considered good - Unsecured | 35,282 | 37,643 |
| Undisputed Trade Receivables - Increased in Credit Risk | - | - |
| Undisputed Trade Receivables - Credit Impaired | 322 | 283 |
| | 35,604 | 37,926 |
| Less: Provision for Trade Receivables | 322 | 283 |
| TOTAL | 35,282 | 37,643 |

13.1 For aging schedule refer Annexure 1

(₹ in Lakhs)

| Particulars | Outstanding from due date of payment | | | | | | Total |
|---|--------------------------------------|---------------|----------------------|-------------|-------------|-------------|---------------|
| | Not Due | < 6 months | 6 months - 1 year | 1-2 year | 2-3 year | > 3 year | |
| As at 31 March 2023 | | | | | | | |
| Undisputed Trade receivables – considered good | | 34,389 | 665 | 207 | 21 | | 35,282 |
| Undisputed Trade Receivables – which have significant increase in credit risk | | | | | | | - |
| Undisputed Trade Receivables – credit impaired | | | | 112 | 201 | 9 | 322 |
| Disputed Trade receivables – considered good | | | | | | | - |
| Disputed Trade Receivables – which have significant increase in credit risk | | | | | | | - |
| Disputed Trade Receivables – credit impaired | | | | | | | - |
| Total | - | 34,389 | 665 | 319 | 222 | 9 | 35,604 |

(₹ in Lakhs)

| Particulars | Outstanding from due date of payment | | | | | | Total |
|---|--------------------------------------|---------------|----------------------|-------------|-------------|-------------|---------------|
| | Not Due | < 6 months | 6 months - 1 year | 1-2 year | 2-3 year | > 3 year | |
| As at 31 March 2022 | | | | | | | |
| Undisputed Trade receivables – considered good | - | 35,642 | 1,464 | 515 | 22 | - | 37,643 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed Trade Receivables – credit impaired | - | - | - | 220 | 33 | 30 | 283 |
| Disputed Trade receivables – considered good | - | - | - | - | - | - | - |
| Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| Total | - | 35,642 | 1,464 | 735 | 55 | 30 | 37,926 |

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)

13.2 Above Trade Receivables are hypothecated against secured short term borrowings (Refer Note No. 27.1)

14 CASH & CASH EQUIVALENTS

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--------------------|---------------------------------------|---------------------------------------|
| Balance with Banks | 11 | 110 |
| Cash on Hand | 9 | 3 |
| TOTAL | 20 | 113 |

15 BANK BALANCES OTHER THAN (III)

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| Earmarked Balances with banks for Unclaimed & Unpaid Dividends | 20 | 23 |
| Fixed Deposits with banks against Margin Money* | 2,757 | 2,094 |
| TOTAL | 2,777 | 2,117 |

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

16 OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| (Unsecured considered good) | | |
| Security Deposits | 800 | 311 |
| Recoverable from NHAI UP Towards Arbitration Award (Refer Note No. 48) | 1,210 | 1,367 |
| Export Incentive Receivable | 897 | 1,307 |
| Export Growth Entitlement Receivables | 356 | 408 |
| GST Refund Receivable | 1,000 | 1,166 |
| Subsidy Receivable | 294 | 1,090 |
| Advances for Expenses | 20 | 20 |
| Less : Allowances for Advances | (20) | (20) |
| Inter Corporate Deposits - Unsecured | - | - |
| Advance against Supplies | 340 | - |
| Usage receivable (Utility Services) | 28 | - |
| Advance to Employees | 118 | 112 |
| Interest Receivable | 216 | 267 |
| Accrued Income | 11 | 29 |
| Insurance Claim Receivable | 338 | 1 |
| TOTAL | 5,608 | 6,058 |

17 CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| Advance tax, TDS, TCS etc including Refund receivables (Net of provisions) | 701 | - |
| TOTAL | 701 | - |

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)**18 OTHER CURRENT ASSETS**

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| Recoverable from others | 3 | 56 |
| Advance to Employees (For Expenses) | (4) | - |
| Advance against Supplies | 3,197 | 2,141 |
| SIL Employees welfare trust (Refer Note No.50) | 105 | - |
| GST Balances | 6,160 | 4,409 |
| GST / Excise / VAT Recoverable | 21 | 66 |
| Prepaid Expenses | 762 | 508 |
| TOTAL | 10,244 | 7,180 |

19 ASSETS CLASSIFIED AS HELD FOR SALE

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|-------------------|---------------------------------------|---------------------------------------|
| Plant & Machinery | - | 776 |
| Total | - | 776 |

The Company had shut down its 15MW thermal power point, during the year ended 31st March, 2022 pursuant to which the Company had classified the same as held for sale. The Plant had been carried at its fair value less cost to sales as its fair value was less than carrying amount in accordance with Ind AS 105 "Non-current assets held for sale". The Company has completed the sale during the year.

20 EQUITY SHARE CAPITAL

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|---|---------------------------------------|---------------------------------------|
| a. Authorized Share Capital: | | |
| 6,40,00,000 (Previous Year 6,40,00,000) Equity share of ₹ 10 each | 6,400 | 6,400 |
| TOTAL | 6,400 | 6,400 |
| Issued, Subscribed and Paid Up: | | |
| 4,50,46,559 (Previous Year 4,34,21,559) Equity share of ₹ 10 each fully paid up | 4,505 | 4,342 |
| TOTAL | 4,505 | 4,342 |
| 1. During the year, 11,25,000 equity shares of ₹10/- each were issued as fully paid up sweat equity shares to the promoters/ directors without payment being received in cash perusing to contracts, at a premium of ₹ 327.18 each per share as per the shareholders' approval in the extra ordinary general meeting held on 16 th July, 2022. | 113 | - |
| 2. 500000 Shares warrants were converted into equity shares in accordance with SEBI guidelines on the exercise of options by the warrant holder on Date 28 th September, 2022 | 50 | - |

b. Terms and Rights attached to Equity Shares

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

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|---|---------------------------------------|---------------------------------------|
| c. Reconciliation of number of shares outstanding at the beginning and end of the year : | | |
| No. of Shares at the beginning | 4,34,21,559 | 4,34,21,559 |
| Add: Shares Issued During the year | | |
| (i) For consideration received in Cash on conversion of share warrants | 5,00,000 | - |
| (ii) For issuing shares without payment being received in Cash (Sweat Equity Shares) | 11,25,000 | - |
| No. of Shares at the year end | 4,50,46,559 | 4,34,21,559 |

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

| Name of the Shareholder | As at 31 st March, 2023 | | As at 31 st March, 2022 | |
|--|------------------------------------|--------|------------------------------------|--------|
| | No. of Shares | % held | No. of Shares | % held |
| Sangam E-Com Limited | 87,67,542 | 19.46 | 78,73,087 | 18.13 |
| Authum Investment and Infrastructure Limited | 52,78,597 | 11.72 | 52,35,010 | 12.06 |
| Nidhi Mercantiles Limited | 38,28,868 | 8.50 | 38,28,868 | 8.82 |
| Anurag Soni | 38,38,665 | 8.52 | 38,38,665 | 8.84 |
| Hawamahal Finance Private Limited | 23,35,500 | 5.18 | 23,35,500 | 5.38 |
| Sangam Fincap Limited | - | - | 22,16,145 | 5.10 |

e. Share reserved for issue under option and Contracts or Commitments for the sale of share or disinvestment, including the terms and amount

(₹ in Lakhs)

| Equity shares reserved out of unissued Equity Share Capital | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| (i) For issue to eligible employees under the Employees Share Option Scheme 2022 (ESOP 2022) | | |
| ESOPs granted and outstanding | | |
| (a) No. of equity shares to be issued as fully paid up | 10,00,000 | 10,00,000 |
| (b) Amount in ₹ Lakhs (Face Value per Equity Share) | 10 | 10 |
| (ii) For conversion of share warrants issued to be converted within 18 months from the date of issue i.e. 13th December, 2021 at the option of share warrant holders * | | |
| (a) No. of equity shares to be issued as fully paid up | 52,00,000 | 57,00,000 |
| (b) Amount in ₹ Lakhs (Face Value per Equity Share) | 10 | 10 |

*For terms & conditions refer Note No 22

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| f. For the period of five years immediately preceding the date at which the Balance Sheet is prepared | | |
| 1. Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash; | - | - |
| 2. Aggregate number and class of shares allotted as fully paid up by way of bonus shares; | - | - |
| 3. Aggregate number and class of shares bought back; | - | - |



Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)

g. Detail of Shares held by Promoter and Promoters group

As at 31st March 2023

| | No. of Shares as at 31 st March, 2023 | No. of Shares as at 31 st March, 2022 | % of total share as at 31 st March, 2023 | % change during the year |
|--|--|--|---|-----------------------------|
| Ram Pal Soni HUF | 2,48,300 | 2,48,300 | 0.55% | 0.0% |
| Anjana Soni Thakur | 2,03,750 | 2,03,750 | 0.45% | 0.0% |
| Radhadevi Soni | 7,77,761 | 7,77,761 | 1.73% | 0.0% |
| Mamta Modani | 5,05,404 | 5,05,404 | 1.12% | 0.0% |
| Archana Sodani | 4,60,774 | 4,60,774 | 1.02% | 0.0% |
| Antima Soni | 2,46,050 | 2,46,050 | 0.55% | 0.0% |
| Anurag Soni | 38,38,665 | 38,38,665 | 8.52% | 0.0% |
| Ram Pal Soni | 14,53,950 | 14,53,950 | 3.23% | 0.0% |
| Shri Niwas Modani | 4,99,779 | 4,99,779 | 1.11% | 0.0% |
| Vinod Kumar Sodani | 6,25,000 | - | 1.39% | 100% |
| Pranal Modani | 5,00,000 | - | 1.11% | 100% |
| Vinod Kumar Sodani HUF | 5,000 | 5,000 | 0.01% | 0% |
| Promoters (A) | 93,64,433 | 82,39,433 | 20.79% | |
| Finworth Investment Private Limited | - | 4,75,260 | 0.00% | -100% |
| Hawamahal Finance Private Limited | 23,35,500 | 23,35,500 | 5.18% | 0% |
| Necco Shipping Company Private Limited | 12,74,744 | 12,74,744 | 2.83% | 0% |
| Nikita Credits Private Limited | - | 3,58,200 | 0.00% | -100% |
| Neelgagan Commercial Company Limited | 14,00,000 | 14,00,000 | 3.11% | 0% |
| Scorpio Credits Private Limited | - | 5,36,255 | 0.00% | -100% |
| Sarvodaya Holdings Private Limited | 11,27,771 | 11,27,771 | 2.50% | 0% |
| Sangam Granite Private Limited | - | 1,20,815 | 0.00% | -100% |
| Sangam Fincap Limited | 22,16,145 | 22,16,145 | 4.92% | 0% |
| Sahyog Finance Limited | 2,32,750 | 2,32,750 | 0.52% | 0% |
| Sangam Suiting Private Limited | 11,12,685 | 2,63,670 | 2.47% | 322% |
| Park View Investment Private Limited | - | 2,26,065 | 0.00% | -100% |
| Nidhi Mercantiles Limited | 38,28,868 | - | 8.50% | 100% |
| Sangam E Com Limited | 87,67,542 | 78,73,087 | 19.46% | 11% |
| Promoters Group (B) | 2,22,96,005 | 1,84,40,262 | 49.50% | |
| Promoters & Promoters Group (A+B) | 3,16,60,438 | 2,66,79,695 | 70.28% | |

As at 31st March 2022

| | No. of Shares as at 31 st March, 2022 | No. of Shares as at 31 st March, 2021 | % of total share as at 31 st March, 2022 | % change during the year |
|--|--|--|---|-----------------------------|
| Ram Pal Soni HUF | 2,48,300 | 2,48,300 | 0.57% | 0% |
| Anjana Soni Thakur | 2,03,750 | 2,03,750 | 0.47% | 0% |
| Radhadevi Soni | 7,77,761 | 7,77,761 | 1.79% | 0% |
| Mamta Modani | 5,05,404 | 5,05,404 | 1.16% | 0% |
| Archana Sodani | 4,60,774 | 4,60,774 | 1.06% | 0% |
| Antima Soni | 2,46,050 | 2,46,050 | 0.57% | 0% |
| Anurag Soni | 38,38,665 | 37,10,397 | 8.84% | 3% |
| Ram Pal Soni | 14,53,950 | 14,53,950 | 3.35% | 0% |
| Shri Niwas Modani | 4,99,779 | 4,99,779 | 1.15% | 0% |
| Vinod Kumar Sodani (HUF) | 5,000 | - | 0.01% | 100% |
| Badari Lal Rampal Soni HUF | - | 1,28,268 | 0.00% | 100% |
| Promoters (A) | 82,39,433 | 82,34,433 | 18.98% | |
| Finworth Investment Private Limited | 4,75,260 | 4,75,260 | 1.09% | 0% |
| Hawamahal Finance Private Limited | 23,35,500 | 23,35,500 | 5.38% | 0% |
| Necco Shipping Company Private Limited | 12,74,744 | 2,82,450 | 2.94% | 351% |
| Nikita Credits Private Limited | 3,58,200 | 3,58,200 | 0.82% | 0% |
| Neelgagan Commercial Company Limited | 14,00,000 | 14,00,000 | 3.22% | 0% |
| Scorpio Credits Private Limited | 5,36,255 | 5,36,255 | 1.23% | 0% |
| Sarvodaya Holdings Private Limited | 11,27,771 | 11,27,771 | 2.60% | 0% |
| Sangam Granite Private Limited | 1,20,815 | 1,20,815 | 0.28% | 0% |
| Sangam Fincap Limited | 22,16,145 | 22,16,145 | 5.10% | 0% |
| Sahyog Finance Limited | 2,32,750 | 2,32,750 | 0.54% | 0% |
| Sangam Suiting Private Limited | 2,63,670 | 2,63,670 | 0.61% | 0% |
| Park View Investment Private Limited | 2,26,065 | 2,26,065 | 0.52% | 0% |
| Sangam E Com Limited | 78,73,087 | 78,73,087 | 18.13% | 0% |
| Promoters Group (B) | 1,84,40,262 | 1,74,47,968 | 42.47% | |
| Promoters & Promoters Group (A+B) | 2,66,79,695 | 2,56,82,401 | 61.44% | |

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)

21 OTHER EQUITY

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|---------------------------------------|---------------------------------------|---------------------------------------|
| Capital Reserve | | |
| Balance at the beginning of the year | 297 | 297 |
| Addition during the Financial Year | - | - |
| Balance at the end of the year | 297 | 297 |
| Securities Premium | | |
| Balance at the beginning of the year | 7,468 | 7,468 |
| Addition during the Financial Year * | 4,531 | - |
| Balance at the end of the year | 11,999 | 7,468 |

*Includes Share Premium ₹ 3681 Lakhs (Previous Year ₹ NIL) on Sweat Equity Share issued as equity settled Share Based Payment

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| Preference Share Capital Redemption Reserve | | |
| Balance at the beginning of the year | 1,178 | 1,178 |
| Addition during the Financial Year | - | - |
| Balance at the end of the year | 1,178 | 1,178 |
| General Reserve | | |
| Balance at the beginning of the year | 22,818 | 22,818 |
| Balance at the end of the year | 22,818 | 22,818 |
| Retained Earnings | | |
| Balance at the beginning of the year | 32,920 | 19,108 |
| Add: Profit for the year | 13,054 | 14,065 |
| Add: Other comprehensive income/(loss) for the year | 80 | 123 |
| Less: On account of merger of subsidiary company (Refer Note No. 45 (a)) | - | 59 |
| Less: On account of merger of subsidiary company (Refer Note No. 45 (b)) | - | - |
| Less: Appropriations | | |
| Transferred to General Reserve | - | - |
| Dividend on Equity Shares (Refer Note No.21.6) | 891 | 435 |
| Balance at the end of the year | 45,164 | 32,920 |
| Other Comprehensive Income | | |
| Balance at the beginning of the year | 5 | 24 |
| Addition during the year | 8 | (19) |
| Balance at the end of the year | 13 | 5 |
| TOTAL | 81,468 | 64,686 |

Nature and Purpose of Other Reserves / Other Equity

21.1 Capital Reserve

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

21.2 Securities Premium

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

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)**21.3 Preference Share Capital Redemption Reserve**

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

21.4 General Reserve

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

21.5 Remeasurement of defined benefit plans

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

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

21.6 Dividend

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

| Particulars | (₹ in Lakhs) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2023 | As at 31 st March, 2022 |
| Dividend for the year ended 31 st March, 2022 ₹ 2 per share (Previous year 31 st March, 2021 ₹ 1 per share) | 891 | 435 |
| TOTAL | 891 | 435 |

22 SHARE WARRANTS

| | (₹ in Lakhs) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2023 | As at 31 st March, 2022 |
| Balance at the beginning of the year | 2,565 | - |
| Add:- Issued during the year * | - | 2,565 |
| Less:- Converted into fully paid Equity Share during the year ** | 225 | - |
| Balance at the end of the year | 2,340 | 2,565 |

*The Company had issued 57,00,000 Share warrants of ₹ 180 each having a face value of ₹ 10 each in accordance with SEBI guidelines and had received 25% upfront money amounting to ₹ 2565 Lakhs during the year ended 31st March, 2022. These share warrants are to be converted into one equity share of ₹ 10 each (face value) fully paid up within 18 months from the date of issue i.e. 13th December, 2021 on the exercise of option by the warrant holders.

**During the year ended 31st March, 2023, one of the warrant holders has exercised the option to convert 500,000 share warrants after making the payment of the balance 75% amount due on these warrants.

23 BORROWINGS

| | (₹ in Lakhs) | |
|------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2023 | As at 31 st March, 2022 |
| Secured | | |
| Term Loans From Banks | | |
| Rupee Loans | 33,374 | 17,617 |
| Vehicle Loans | 579 | 438 |
| TOTAL | 33,953 | 18,055 |

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)

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

23.2 Vehicle Loans (including current maturities) are secured by hypothecation of respective vehicle(s)

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

As at 31st March, 2023

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

(₹ in Lakhs)

| Date of maturity | Outstanding as on 31 st March 2023 | | | |
|---------------------------------|---|--------------------|------------------|---|
| | Total Outstanding | Long Term Maturity | Current Maturity | Instalments due after 31 st March 2023 (Qtrly) |
| (a) From Banks: | | | | |
| 20 th March, 2024 | 600 | - | 600 | 4 |
| 30 th June, 2024 | 1,000 | 200 | 800 | 5 |
| 01 st July, 2025 | 2,336 | 1,607 | 729 | 9 |
| 30 th June, 2026 | 6,115 | 4,315 | 1,800 | 13 |
| 01 st November, 2026 | 1,587 | 1,587 | - | 32 |
| 01 st October, 2028 | 1,789 | 1,620 | 169 | 22 |
| 01 st January, 2031 | 5,174 | 5,099 | 75 | 31 |
| Sub Total (A) | 18,601 | 14,428 | 4,173 | |

B) Carrying interest rate 1 yr MCLR)

(₹ in Lakhs)

| Date of maturity | Outstanding as on 31 st March 2023 | | | |
|-------------------------------|---|--------------------|------------------|---|
| | Total Outstanding | Long Term Maturity | Current Maturity | Instalments due after 31 st March 2023 (Monthly) |
| (a) From Banks: | | | | |
| 01 st January 2032 | 1,196 | 1,196 | - | 32 |
| 31 st March 2032 | 4,065 | 4,065 | - | 32 |
| Sub Total (B) | 5,261 | 5,261 | - | |

C) Carrying interest rate 1 yr MCLR+0.15 to 0.70%)

(₹ in Lakhs)

| Date of maturity | Outstanding as on 31 st March 2023 | | | |
|-------------------------------|---|--------------------|------------------|---|
| | Total Outstanding | Long Term Maturity | Current Maturity | Instalments due after 31 st March 2023 (Monthly) |
| (a) From Banks: | | | | |
| 01 st January 2031 | 5,000 | 4,450 | 550 | 32 |
| 01 st January 2032 | 974 | 974 | - | 32 |
| 01 st January 2032 | 8,037 | 8,037 | - | 32 |
| 31 st March 2032 | 224 | 224 | - | 32 |
| Sub Total (C) | 14,235 | 13,685 | 550 | |
| Total (A+B+C) | 38,097 | 33,374 | 4,723 | |

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)

D) Vehicle Loans from Banks

Carrying Fixed interest rate 6.85% to 10.01%

(₹ in Lakhs)

| Date of maturity | Outstanding as on 31 st March 2023 | | | |
|------------------------|---|--------------------|------------------|---|
| | Total Outstanding | Long Term Maturity | Current Maturity | Instalments due after 31 st March 2023 (Monthly) |
| From Banks | 849 | 579 | 270 | 2-70 |
| Sub Total ('D) | 849 | 579 | 270 | |
| Total (A+B+C+D) | 38,946 | 33,953 | 4,993 | - |

As at 31st March, 2022

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

(₹ in Lakhs)

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

B) Carrying interest rate 1 yr MCLR)

(₹ in Lakhs)

| Date of maturity | Outstanding as on 31 st March 2022 | | | |
|-----------------------------|---|--------------------|------------------|---|
| | Total Outstanding | Long Term Maturity | Current Maturity | Instalments due after 31 st March 2022 (Monthly) |
| (a) From Banks: | | | | |
| 31 st July, 2022 | | 454 | - | 454 |
| Sub Total (B) | | 454 | - | 454 |

C) Carrying interest rate 1 yr MCLR+0.50%)

(₹ in Lakhs)

| Date of maturity | Outstanding as on 31 st March 2022 | | | |
|-----------------------------|---|--------------------|------------------|---|
| | Total Outstanding | Long Term Maturity | Current Maturity | Instalments due after 31 st March 2022 (Monthly) |
| (a) From Banks: | | | | |
| 31 st July, 2022 | 347 | - | 347 | - |
| Sub Total (C) | 347 | - | 347 | |
| Total (A+B+C) | 23,628 | 17,617 | 6,011 | |

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)

D) Vehicle Loans from Banks

Carrying Fixed interest rate 6.85% to 10.01%

(₹ in Lakhs)

| Date of maturity | Outstanding as on 31 st March 2022 | | | |
|------------------------|---|--------------------|------------------|---|
| | Total Outstanding | Long Term Maturity | Current Maturity | Instalments due after 31 st March 2022 (Monthly) |
| From Banks | 606 | 438 | 168 | 2-70 |
| Sub Total ('D) | 606 | 438 | 168 | |
| Total (A+B+C+D) | 24,234 | 18,055 | 6,179 | |

24 LEASE LIABILITY

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|-------------------------------------|---------------------------------------|---------------------------------------|
| Lease Liability (Refer Note No. 57) | 95 | 219 |
| TOTAL | 95 | 219 |

25 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| Corporate Bank Guarantee issued for loan | 1,011 | - |
| TOTAL | 1,011 | - |

26 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| Deferred Tax Assets | | |
| Accrued expenses allowable on payment basis | 714 | 237 |
| Allowance for Bad & Doubtful Debts | 81 | 71 |
| Total (A) | 795 | 308 |
| Deferred Tax Liabilities | | |
| Related to Property, Plant and Equipment and Intangible Assets | 4,265 | 4,078 |
| Others | - | 16 |
| Total (B) | 4,265 | 4,094 |
| Deferred Tax Liabilities (Net) (b)-(a) | 3,470 | 3,786 |

(₹ in Lakhs)

| A. Movement in deferred tax balances | As at 31 st March, 2022 | Recognised in P&L | Recognised in OCI | As at 31 st March, 2023 |
|---|---------------------------------------|----------------------|----------------------|---------------------------------------|
| (a) Deferred Tax Assets | | | | |
| Accrued expenses allowable on payment basis | 237 | 504 | (27) | 714 |
| Allowance for Bad & Doubtful Debts | 71 | 10 | - | 81 |
| Sub-Total (a) | 308 | 514 | (27) | 795 |



Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)

| | | | | |
|--|--------------|--------------|-----------|--------------|
| (b) Deferred Tax Liabilities | | | | |
| Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortization for financial reporting | 4,078 | 186 | - | 4,265 |
| Fair value changes on derivatives designated as cash flow hedges | 16 | (19) | 3 | - |
| Sub-Total (b) | 4,094 | 167 | 3 | 4,265 |
| Deferred Tax Liabilities (Net) (b)-(a) | 3,786 | (347) | 30 | 3,470 |

(₹ in Lakhs)

| Movement in deferred tax balances | As at 31st March, 2021 | Recognised in P&L | Recognised in OCI | As at 31st March, 2022 |
|--|--|------------------------------|--------------------------|--|
| (a) Deferred Tax Assets | | | | |
| Accrued expenses allowable on payment basis | 721 | (442) | (41) | 237 |
| Related to Unabsorbed Depreciation & losses | 229 | (229) | | |
| Allowance for Bad & Doubtful Debts | 106 | (35) | - | 71 |
| Sub-Total (a) | 1,056 | (706) | (41) | 308 |
| (b) Deferred Tax Liabilities | | | | |
| Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortization for financial reporting | 6,183 | (2,105) | - | 4,078 |
| Fair value changes on derivatives designated as cash flow hedges | 14 | 9 | (6) | 16 |
| Sub-Total (b) | 6,197 | (2,096) | (6) | 4,094 |
| MAT Credit Entitlement | | | | |
| MAT Credit Earlier Year | 246 | (246) | - | - |
| MAT Credit Current Year | - | - | - | - |
| Sub-Total (c) | 246 | (246) | - | - |
| Deferred Tax Liabilities (Net) (b)-(a)-(c) | 4,895 | (1,144) | 35 | 3,786 |

(₹ in Lakhs)

| B. Current tax expense | As at 31st March, 2023 | As at 31st March, 2022 |
|---|--|--|
| Current Year | 3,920 | 5,304 |
| Earlier Years | (662) | 429 |
| | 3,258 | 5,733 |
| Deferred tax expense | | |
| Origination and reversal of temporary differences | (346) | (1,389) |
| | (346) | (1,389) |
| Total Tax Expense | 2,912 | 4,344 |

(₹ in Lakhs)

| C. Amounts recognised in Other Comprehensive Income | For the Year Ended 31st March, 2023 | | |
|--|---|-------------------------------|-------------------|
| | Before tax | Tax (Expense) / Income | Net of tax |
| Remeasurements of defined benefit liability | 107 | (27) | 80 |
| Fair value changes on derivatives designated as cash flow hedges | 11 | (3) | 8 |
| TOTAL | 118 | (30) | 88 |

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)

(₹ in Lakhs)

| Amounts recognised in Other Comprehensive Income | For the Year Ended 31 st March, 2022 | | |
|--|---|---------------------------|------------|
| | Before tax | Tax (Expense) / Income | Net of tax |
| Remeasurements of defined benefit liability | 164 | (41) | 123 |
| Fair value changes on derivatives designated as cash flow hedges | (25) | 6 | (19) |
| TOTAL | 139 | (35) | 104 |

(₹ in Lakhs)

| D. The income tax expenses for the year reconciled to the accounting profit as follows : | 2022-23 | 2021-22 |
|--|--------------|----------------|
| Profit Before Tax | 15,966 | 18,409 |
| Applicable Tax Rate | 25.17% | 25.17% |
| Computed Tax Expense | 4,019 | 4,633 |
| Tax effect of : | | |
| Exempted income / Items Considered Separately | 69 | - |
| Expenses Disallowed | 2,493 | 875 |
| Additional Allowances | (2,661) | (212) |
| Current Tax Provision (A) | 3,920 | 5,296 |
| Incremental Deferred Tax Liability on account of Tangible and Intangible Assets | (346) | (1,389) |
| Taxes recognized in Statement of Profit & Loss (B) | (346) | (1,389) |
| Net Taxes (A+B) | 3,574 | 3,907 |
| Effective Tax Rate | 22.38% | 21.23% |

27 BORROWINGS

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|---|---------------------------------------|---------------------------------------|
| Secured | | |
| Loans Repayable on Demand from Banks | | |
| Rupee Loans | 33,836 | 10,698 |
| Foreign Currency Loans | 9,591 | 25,737 |
| Current maturities of long term debts | 4,993 | 6,179 |
| TOTAL | 48,420 | 42,614 |

27.1 Borrowings from Banks for working capital are secured by hypothecation of inventories and charge on book debts both present and future and second charge on all the immovable and moveable Property, Plant & Equipment's of the Company. The above borrowing are further secured by personal guarantee of directors of the Company. There is no default in repayment or interest of any loans on due dates.

27.2 Rupee Loans carry floating interest rate from 7.50% to 10.50% per annum, computed monthly.

27.3 Foreign Currency Loans carry floating interest rate LIBOR+1.30 to 4.30% per annum, computed monthly.

28 LEASE**LIABILITY**

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|-------------------------------------|---------------------------------------|---------------------------------------|
| Lease Liability (Refer Note No. 57) | 165 | 143 |
| TOTAL | 97,005 | 85,371 |

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)**29 TRADE PAYABLES (INCLUDE ACCEPTANCES)**

(₹ in Lakhs)

| | As at 31 st March, 2023 | As at 31 st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| Total outstanding dues of Micro enterprises and Small enterprises (Refer Note No. 51) | 1,182 | 1,128 |
| Total outstanding dues of creditors other than micro enterprises and Small enterprises | 5,915 | 12,245 |
| Acceptances* | 15,590 | 15,370 |
| TOTAL | 22,687 | 28,743 |

*Acceptances are arrangements where operational suppliers of goods and services are initially paid by banks/ financial institutions while the Company continues to recognize the liability till settlement with the banks/financial institutions, which are normally affected within a period of 120 days.

29.1 For aging schedule refer annexure 2

Trade payables aging schedule

(₹ in Lakhs)

| Particulars | Outstanding from due date of payment | | | | | Total |
|--|--------------------------------------|---------------|------------|-----------|-----------|---------------|
| | Unbilled | < 1 year | 1-2 year | 2-3 year | > 3 year | |
| As at 31 March, 2023 | | | | | | |
| Undisputed; | | | | | | |
| Total outstanding dues of micro enterprises and small enterprises | | 1,182 | | | | 1,182 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 710 | 20,607 | 115 | 53 | 20 | 21,505 |
| Disputed; | | | | | | - |
| Total | 710 | 21,789 | 115 | 53 | 20 | 22,687 |

(₹ in Lakhs)

| Particulars | Outstanding from due date of payment | | | | | Total |
|--|--------------------------------------|---------------|------------|------------|----------|---------------|
| | Unbilled | < 1 year | 1-2 year | 2-3 year | > 3 year | |
| As at 31 March 2022 | | | | | | |
| Undisputed; | | | | | | |
| Total outstanding dues of micro enterprises and small enterprises | - | 1,128 | - | - | - | 1,128 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 673 | 26,350 | 440 | 147 | 5 | 27,615 |
| Disputed; | - | - | - | - | - | - |
| Total | 673 | 27,478 | 440 | 147 | 5 | 28,743 |

29.2 Included in the above Payable amount due to wholly owned subsidiary company

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)

30 OTHER FINANCIAL LIABILITIES

| | (₹ in Lakhs) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2023 | As at 31 st March, 2022 |
| Interest accrued but not due on borrowings | 89 | 58 |
| Unpaid Dividends # | 20 | 22 |
| Creditors for Capital Expenditure* | 3,949 | 1,967 |
| Security Deposit | 590 | 504 |
| Liability towards Staff and Workers | 2,184 | 2,132 |
| Commission Payable on Sales | 1,653 | 1,878 |
| Liabilities for Expenses \$ | 5,240 | 6,629 |
| TOTAL | 13,725 | 13,190 |
| # There is no overdue amount to be credited to investor education & protection fund | - | - |
| * Included in the above amount due to Relatives of Key Managerial Persons | - | - |
| \$ Include total outstanding dues of micro enterprises and small enterprises | 39 | 20 |

31 OTHER CURRENT LIABILITIES

| | (₹ in Lakhs) | |
|--------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2023 | As at 31 st March, 2022 |
| Advance from Customers | 816 | 1,202 |
| Liabilities for Expenses | 40 | 67 |
| Statutory Dues | 1,030 | 504 |
| TOTAL | 1,886 | 1,773 |

32 CURRENT TAX LIABILITIES (NET)

| | (₹ in Lakhs) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2023 | As at 31 st March, 2022 |
| Income tax payable (Net-off taxes paid) | - | 384 |
| TOTAL | - | 384 |

33 PROVISIONS

| | (₹ in Lakhs) | |
|---------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2023 | As at 31 st March, 2022 |
| Provisions for Gratuity | 2,139 | 1,796 |
| Provisions for Leave Encashment | 192 | 103 |
| TOTAL | 2,331 | 1,899 |

34 REVENUE FROM OPERATIONS

| | (₹ in Lakhs) | |
|--|-----------------|-----------------|
| | 2022-23 | 2021-22 |
| Sale of Products/ Income from Services | 2,71,230 | 2,43,776 |
| TOTAL | 2,71,230 | 2,43,776 |

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)

| | (₹ in Lakhs) | |
|---|-----------------|-----------------|
| | 2022-23 | 2021-22 |
| PARTICULARS OF SALE OF PRODUCTS/SERVICES | | |
| a) Sale of Products | | |
| Finished Goods | 2,51,432 | 2,23,554 |
| Traded Goods | 4,440 | 8,001 |
| TOTAL | 2,55,872 | 2,31,555 |
| b) Sale of Services | | |
| Job Processing | 9,764 | 7,037 |
| TOTAL | 9,764 | 7,037 |
| c) Other Operating Revenues | | |
| Sale of Waste | 2,211 | 1,597 |
| Export Benefits / Incentives | 3,383 | 3,587 |
| TOTAL | 5,594 | 5,184 |
| TOTAL (a+b+c) | 2,71,230 | 2,43,776 |

35 OTHER**INCOME**

| | (₹ in Lakhs) | |
|--|--------------|------------|
| | 2022-23 | 2021-22 |
| Interest Income on Financial Assets at amortized cost | | |
| from Customers | 233 | 238 |
| from Others | 345 | 179 |
| Other Non-Operating Income | | |
| Insurance Claim | 358 | 3 |
| Rent | 27 | 55 |
| Net Gain on Foreign Currency Fluctuation | - | 72 |
| Profit on Sale of Property, Plant & Equipment (Net) | 722 | 121 |
| Miscellaneous Receipts | 29 | 46 |
| TOTAL | 1,714 | 714 |

36 COST OF MATERIALS CONSUMED

| | (₹ in Lakhs) | |
|---------------------------------|-----------------|-----------------|
| | 2022-23 | 2021-22 |
| Raw Material Consumed | 1,45,039 | 1,23,792 |
| Consumption of Dyes & Chemicals | 12,699 | 9,691 |
| TOTAL | 1,57,738 | 1,33,483 |

37 PURCHASES OF STOCK IN TRADE

| | (₹ in Lakhs) | |
|------------------------------------|--------------|--------------|
| | 2022-23 | 2021-22 |
| Stock in Trade – Yarn | 71 | 811 |
| Stock in Trade – Fabric | 4,848 | 2,969 |
| Stock in Trade – Seamless Garments | 155 | 696 |
| TOTAL | 5,074 | 4,476 |

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)

38 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

| | (₹ in Lakhs) | |
|---|----------------|----------------|
| | 2022-23 | 2021-22 |
| Inventories at the end of the year | | |
| Finished Goods | 24,062 | 16,202 |
| Work-in-Progress | 9,434 | 7,817 |
| | 33,496 | 24,019 |
| Inventories at the beginning of the year | | |
| Finished Goods | 16,202 | 13,678 |
| Work-in-Progress | 7,817 | 7,256 |
| On account of merger of subsidiary Company | | (481) |
| | 24,019 | 20,453 |
| (INCREASE) / DECREASE IN INVENTORY | (9,477) | (3,567) |

39 EMPLOYEE BENEFITS EXPENSE

| | (₹ in Lakhs) | |
|---|----------------|----------------|
| | 2022-23 | 2021-22 |
| Salaries and Wages [^] | 21,218 | 18,614 |
| Contribution to Provident and Other Funds | 1,553 | 1,327 |
| Staff Welfare Expenses | 352 | 154 |
| TOTAL | 23,123 | 20,095 |

[^]Excludes ₹ 1075 Lakhs considered under Exceptional Items (Refer Note No - 44)

40 FINANCE COSTS

| | (₹ in Lakhs) | |
|--|----------------|----------------|
| | 2022-23 | 2021-22 |
| Interest Expenses | 4,790 | 4,292 |
| Other Borrowing Costs | 601 | 488 |
| TOTAL | 5,391 | 4,780 |
| Net of interest Capitalized (Refer note no. 3) | 308 | 31 |
| Net of interest Subsidy (TUF /RIPS) | 313 | 360 |

41 DEPRECIATION AND AMORTISATION EXPENSE

| | (₹ in Lakhs) | |
|---|----------------|----------------|
| | 2022-23 | 2021-22 |
| Depreciation on Tangible Assets and Right of Use Assets | 7,831 | 6,925 |
| Amortization of Intangible Assets | 108 | 109 |
| TOTAL | 7,939 | 7,034 |

42 POWER & FUEL

| | (₹ in Lakhs) | |
|-------------------------|----------------|----------------|
| | 2022-23 | 2021-22 |
| Power and Fuel Expenses | 30,232 | 24,539 |
| TOTAL | 30,232 | 24,539 |

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)**43 OTHER EXPENSES**

| | (₹ in Lakhs) | |
|--|----------------|----------------|
| | 2022-23 | 2021-22 |
| A. Manufacturing Expenses | | |
| Stores & Spares Consumed | 4,307 | 3,950 |
| Packing Material Consumed | 3,209 | 2,930 |
| Processing and Job Charges | 6,439 | 3,365 |
| Repairs To : Plant & Machinery | 469 | 473 |
| Repairs To : Building | 225 | 76 |
| Repairs To : Others | 69 | 54 |
| Misc. Manufacturing Expenses | 2,652 | 2,313 |
| Sub Total (A) | 17,370 | 13,161 |
| B. Administrative Expenses | | |
| Rent (including short term lease rent) | 174 | 184 |
| Rates & Taxes | 145 | 180 |
| Payments to Auditors : Statutory Audit Fees | 31 | 19 |
| For Certifications (₹ 0.29 Lakhs) | 0 | - |
| Reimbursement of Expenses | 2 | 1 |
| Cost Audit Fees | 1 | 1 |
| Insurance Premium | 701 | 539 |
| Directors' Travelling | 147 | 34 |
| Travelling & Conveyance | 365 | 183 |
| Telephone & Postage | 257 | 365 |
| Directors' Remuneration [^] | 1,200 | 1,296 |
| Printing & Stationery | 64 | 38 |
| Legal & Professional Fees | 615 | 418 |
| Vehicle Running & Maintenance | 573 | 524 |
| Director's Sitting Fees | 26 | 18 |
| Charity and Donations | 10 | 1 |
| Advances Written Off | 454 | 128 |
| Miscellaneous Expenses | 829 | 373 |
| Contribution towards CSR (Refer Note No. 60) | 147 | 33 |
| Preliminary Expenses | - | 24 |
| Sub Total (B) | 5,741 | 4,359 |
| [^] Excludes ₹ 1345 Lakhs considered under Exceptional Items (Refer Note No - 44) | | |
| C. Selling & Distribution Expenses | | |
| Sales Commission & Brokerage | 3,308 | 3,796 |
| Freight, Octroi and Other Selling Expenses | 5,778 | 10,516 |
| Bad Debts Written Off * | 274 | 2,180 |
| Sub Total (C) | 9,360 | 16,492 |
| D. Other Expenses | | |
| Loss on Foreign Currency Fluctuation (Net) | 1,912 | - |
| Sub Total (D) | 1,912 | - |
| TOTAL (A+B+C+D) | 34,383 | 34,012 |

*Bad Debts Written Off ₹ 274 includes (₹ 283 Lakhs in respect of export debtors in accordance with the provisions of Foreign Exchange Management Act 1999) and net-off recovery of ₹ 71 Lakhs during the year. (Previous Year ₹ 2180 Lakhs) out of Provision for Trade Receivables

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)

44 EXCEPTIONAL ITEMS

| | (₹ in Lakhs) | |
|--|--------------|--------------|
| | 2022-23 | 2021-22 |
| (i) Impairment Loss on Assets classified as held for sale* | 150 | 1,229 |
| (ii) Proportional cost of Sweat equity Shares charged to the Statement of Profit and Loss during the year ** | 1,138 | - |
| (iii) Withholding tax on the total value of Sweat equity shares | 1,283 | - |
| (iv) Impairment of Investments | 4 | - |
| TOTAL | 2,575 | 1,229 |

*The Impairment loss is on account of Assets classified as held for sale being valued Recoverable amount since its Recoverable amount is lower than its Carrying amount.

The difference between the same has been shown as Impairment Loss in accordance with Ind AS 36.

**The Company has issued Sweat Equity Shares during the year in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021, 11,25,000 equity shares of ₹ 10 each (fully paid-up) at the premium of ₹ 327.18 per equity share to Executive Director & Chief Business Strategist as per Board Resolution dated 17th June, 2022 & as approved by the Shareholders in their Extra Ordinary General Meeting held on dated 16th July, 2022. The total value of equity shares issued amount to ₹ 3793 Lakhs out of the above ₹ 1138 Lakhs is charged to the statement of Profit & Loss and balance ₹ 2655 Lakhs is to be carried forward & amortized for a period of four years.

45 (A) SCHEME OF AMALGAMATION

The Board of Directors of the Company on its meeting held on 14th September, 2020 had approved the scheme of amalgamation between the Company and the Sangam Lifestyle Ventures Limited (SLVL) (amalgamating Company) (Wholly Owned Subsidiary Company).

During the year, the Jaipur bench of NCLT vide its order dated March 11, 2022 has approved the Scheme of Amalgamation between Sangam India Limited (SIL) and Sangam Lifestyle Ventures Limited ('SLVL'), a wholly own subsidiary of SIL with effect from 01st April, 2020, being Appointed date.

Accordingly the Company has accounted the scheme of arrangement as per Pooling of Interest method in accordance with Appendix C of Ind AS 103 Business Combination. Pursuant to which all assets and Liabilities pertaining to the amalgamating company as defined in the arrangement have been transferred to the amalgamated company without any consideration and investment in the equity shares of SLCL has been cancelled.

Details of assets acquired and liabilities assumed in accordance with Ind AS 103 - Business Combinations;

| Particulars | Amount (In Lakhs) | |
|--|-------------------|--------------|
| Investments in Subsidiary (A) | | 5 |
| Less:- Net carrying amount of Assets acquired and Liabilities Assumed (B) | | |
| Total Assets | | |
| Property, Plant & Equipment | 15 | |
| Intangible Assets | 10 | |
| Other Financial Assets | 2 | |
| Deferred Tax Assets (Net) | 207 | |
| Inventories | 481 | |
| Stock reserve on inventories | 59 | |
| Trade Receivables | 523 | |
| Cash and Cash equivalents | 2 | |
| Other Current Assets | 75 | |
| Total Liabilities | 1,374 | |
| Trade Payable -Others | (1,810) | |
| Other Financial Liabilities | (114) | |
| Other Current Liabilities | (25) | |
| Provisions | (17) | |
| | (1,966) | (592) |
| Other Equity (A)-(B) | | (597) |

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)**45 (B) SCHEME OF AMALGAMATION**

The Net Loss after tax of erstwhile amalgamating company for the period 01st April, 2020 to 31st March, 2021 amounting to ₹ 71 Lakhs comprised of:-

| | (₹ in Lakhs) |
|---|----------------|
| | 2020-21 |
| INCOME : | |
| Sale of Services | 1,046 |
| Other Income | - |
| Total Revenue | 1,046 |
| EXPENDITURE : | |
| Cost of Materials Consumed | 646 |
| Employee Benefits Expenses | 145 |
| Finance Costs | 17 |
| Depreciation and Amortization Expense | 6 |
| Other Expenses | 332 |
| Total Expenses | 1,146 |
| Losses before tax | (100) |
| Tax Expenses | |
| Current Tax | - |
| Deferred Tax | (28) |
| Total Tax Expenses | (28) |
| Profit/ (Loss) for the year | (72) |
| Other Comprehensive Income | |
| Items that will not be reclassified to profit or loss | |
| Remeasurement of defined benefit plans | 2 |
| Tax relating to remeasurement of defined benefit plans | (1) |
| Total Other Comprehensive Income/ (Loss) for the period | 1 |
| Net Losses after tax of erstwhile amalgamating companies | (71) |

46 OTHER COMPREHENSIVE INCOME

| | (₹ in Lakhs) | |
|--|----------------|----------------|
| | 2022-23 | 2021-22 |
| Items that will not be reclassified to profit or loss | | |
| Remeasurement of defined benefit plans | 107 | 164 |
| Tax relating to remeasurement of defined benefit plans | (27) | (41) |
| Sub Total (A) | 80 | 123 |
| Items that will be reclassified to profit or loss | | |
| Fair value changes on derivatives designated as cash flow hedges | 11 | (25) |
| Tax on items that will be reclassified subsequently to Profit & Loss | (3) | 6 |
| Sub Total (B) | 8 | (19) |
| TOTAL (A+B) | 88 | 104 |

47 EARNINGS PER SHARE (EPS)

| | (₹ in Lakhs) | |
|---|----------------|----------------|
| | 2022-23 | 2021-22 |
| i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders | 15,629 | 15,223 |
| Less : Exceptional Items | 2,575 | 1,229 |
| Net Profit after Exceptional Items | 13,054 | 13,994 |
| ii) Weighted Average number of equity shares used as denominator for calculating EPS | 4,43,82,860 | 4,34,21,559 |
| iii) Weighted Average number of equity shares used as denominator for calculating Diluted EPS | 35,03,087 | 2,30,250 |
| iv) Basic Earnings per share (Before exceptional items) | 35.21 | 35.06 |
| v) Basic Earnings per share (After exceptional items) | 29.41 | 32.23 |
| vi) Diluted Earnings per share (Before exceptional items) | 32.64 | 34.87 |
| vii) Diluted Earnings per share (After exceptional items) | 27.26 | 32.06 |
| viii) Face Value per equity share (₹) | 10 | 10 |

Notes to Consolidated Financial Statements for the year ended 31st March, 2023 (Contd.)

48 The Company had undertaken a Toll user collection contract with National High Way Authority of India (NHAI) for Ushaka Toll Plaza on N.H. No. 25. Due to Dispute with NHAI the contract was terminated and the matter was referred to arbitration. The Arbitrator had given the award in favour of the Company during 2015-16 which was disputed by NHAI and filed an appeal against the same with the single bench of Delhi High Court, which referred the matter back for arbitration. The Company has objected to the above decision before the division bench of Delhi High Court and filed an appeal to stay the order. The Delhi High Court has admitted the appeal and stayed the said order.

Based on the legal provisions and the facts, the management is of the opinion that the Company would be successful in its claim for recovery of the dispute amount. The other current financial asset includes the above claim.

49 ISSUE OF SWEAT EQUITY SHARES

| Particulars | (₹ in Lakhs) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2023 | As at 31 st March, 2022 |
| During the year, 11,25,000 Equity Shares were allotted to the Executive Director and the Chief Business Strategist as per the Board resolution dated 17 th June, 2022 and as approved by the Shareholders in their extra ordinary general meeting held on 16 th July, 2022 as under: | | |
| (a) Number of Sweat equity Shares issued as per the above approval | | |
| (i) Mr Vinod Kumar Sodani (Executive Director) | 625,000 | - |
| (ii) Mr Pranal Modani (Chief Business Strategist) | 500,000 | - |
| (b) Share value adopted as per the valuaer's report based on Trading days volume weighted average price in accordance with the SEBI (Share based Employee Benefits and Equity) Regulations 2021. | ₹ 337.18 per Equity share | NA |
| (c) Value of Equity Shares issued and allotted: | | |
| (i) Mr Vinod Kumar Sodani (Executive Director) ₹ in Lakhs | 2,107 | - |
| (ii) Mr Pranal Modani (Chief Business Strategist) ₹ in Lakhs | 1,686 | - |
| (d) Withholding tax absorbed by the Company on the above value under section 192 of the Income Tax Act, 1961 | 1,282 | - |
| (e) Proportional value of the above Sweat equity and withholding tax charged to the profit and loss statement as an exceptional item (Refer Note No 44) | 1,138 | - |
| (f) Balance amount deferred to be amortized in 4 equal installments during subsequent years. (Refer Note No 44) | 2,655 | - |

50 EMPLOYEES STOCK OPTION SCHEME 2022

| Particulars | (₹ in Lakhs) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2023 | As at 31 st March, 2022 |
| During the year, the Company has formulated an Employees Stock Option Scheme 2022 (ESOP 2022). The employees of the Company and its subsidiaries are eligible for the options as per the scheme. The terms and conditions of the above scheme is as under: | | |
| (a) Terms on which ESOPs are to be issued: | | |
| (i) The grant of options to the employees under the above ESOP 2022 are linked to the performance and other eligibility criteria of the employees. | | |
| (ii) The suggested options which can be allowed as per the proposed scheme, subject to the discretion of the management and fulfilment of certain conditions are as under: | | |
| At the end of the first year from the grant date - 10% of the option granted | | |
| At the end of the second year from the grant date - 10% of the option granted | | |
| At the end of the third year from the grant date - 15% of the option granted | | |
| At the end of the fourth year from the grant date - 20% of the option granted | | |
| At the end of the fifth year from the grant date - 20% of the option granted | | |
| At the end of the sixth year from the grant date - 25% of the option granted | | |
| (iii) Vesting would be subject to continue employment of the grantee | | |



Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)

(₹ in Lakhs)

| Particulars | As at 31 st March, 2023 | As at 31 st March, 2022 |
|---|---------------------------------------|---------------------------------------|
| However, no option scheme is under implementation at the year end | | |
| (ii) Options can be exercised either wholly or partly at any time within a maximum period of 3 years from the date of respective vesting, through cash mechanism after submitting the exercise application along with the amount due thereon. The grant and would be settled by way of issue of equity shares. Management has discretion to modify the exercise period. The committee may allow a discount for exercise price but in such case the exercise will not go below the par value of the shares. The tax as applicable would be chargeable by the employee. | | |
| (b) The other details of the grants under the aforesaid scheme are summarised below: | | |
| Name of the scheme: ESOP 2022 | | |
| (I) Number of stock options during the year | | |
| (i) Grant price - (a) on the basis of average market purchase price if shares so granted are acquired from the secondary market (b) otherwise the market price if issued as fresh shares by the Company | | |
| (ii) Grant dates - will be decided by the committee appointed for this purpose | | |
| (iii) Vesting commences - Scheme not yet implemented | | |
| (iv) Options granted and outstanding at the beginning of the year | Nil | Nil |
| (v) Options lapsed | Nil | Nil |
| (vi) Options granted | Nil | Nil |
| (vii) Options exercised | Nil | Nil |
| (viii) Options granted and outstanding at the end of the year, of which | Nil | Nil |
| (a) Options vested | Nil | Nil |
| (b) Options yet to vest | Nil | Nil |
| (II) Weighted exercisable price for the stock options during the year | | |
| (i) Grant price - | Nil | Nil |
| (ii) Grant dates | Nil | Nil |
| (iii) Vesting commences (Dates) | Nil | Nil |
| (iv) Options granted and outstanding at the beginning of the year | Nil | Nil |
| (v) Options lapsed | Nil | Nil |
| (vi) Options granted | Nil | Nil |
| (vii) Options exercised | Nil | Nil |
| (viii) Options granted and outstanding at the end of the year, of which | | |
| (a) Options vested | Nil | Nil |
| (b) Options yet to vest | Nil | Nil |
| (ix) Weighted average remaining contractual life of options (in years) | NA | NA |
| (c) The number and weighted average exercise price of stock options are as follows: | | |
| (i) Options granted and outstanding at the beginning of the year | Nil | Nil |
| (ii) Options granted | Nil | Nil |
| (iii) Options forfeited | Nil | Nil |
| (iv) Options allotted | Nil | Nil |
| (v) Options lapsed | Nil | Nil |
| (vi) Options granted and outstanding at the end of the year | Nil | Nil |
| (vii) Options exercisable at the end of the year out of (5) above | Nil | Nil |
| (d) Weighted average share price at the date of exercise for stock options exercised during the year | NA | NA |
| (e) (i) In respect of stock options granted pursuant to the Company's stock options schemes, the fair value of the options is treated as discount and accounted as employee compensation over the vesting period. | Nil | Nil |

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)

| Particulars | (₹ in Lakhs) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2023 | As at 31 st March, 2022 |
| (ii) Expense on Employee Stock Option Schemes debited to the Statement of Profit and Loss during the year (net of recoveries of ₹ Nil (previous year: ₹ Nil) from its group companies towards the stock options granted to deputed employees, pursuant to the employee stock option schemes | Nil | Nil |
| The entire amount pertains to equity-settled employee share-based payment plans. | | |
| (f) Since the scheme is yet to be implemented, the recovery of any amount from its subsidiary companies towards the stock options granted to their employees, pursuant to the employee stock option schemes is not applicable. | | |
| (g) Weighted average fair values of options granted during the year, since the scheme is yet to be implemented | Nil | Nil |
| (h) The fair value has not been calculated as the scheme is yet to be implemented | | |
| (i) For the implementation of the ESOP 2022, the Company has established "Sangam Employees Welfare Trust" . The ESOP scheme shall be implemented through this trust. (Also refer Note No 18) | | |

51 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

| Particulars | (₹ in Lakhs) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2023 | As at 31 st March, 2022 |
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | |
| - Principal amount due to micro and small enterprises* | 1221 | 1148 |
| - Interest due on above | - | - |
| The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | - | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006 | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year. | - | - |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006 | - | - |

The figures have been disclosed on the basis of information received from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and/or based on the information available with the Company. Further, no interest during the year has been paid or payable under the provisions of the MSMED Act, 2006.

* Include total outstanding dues of micro enterprises and small enterprises of ₹ 1182 Lakhs (Previous Year ₹ 1128 Lakhs) included in Trade Payables.

* Include total outstanding dues of micro enterprises and small enterprises of ₹ 39 Lakhs (Previous Year ₹ 20 Lakhs) in other liabilities under the other current financial liabilities.

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)**52 CONTINGENT LIABILITIES AND COMMITMENTS**

| | (₹ in Lakhs) | |
|--|--------------|---------|
| | 2022-23 | 2021-22 |
| (I) Contingent Liabilities: | | |
| (a) Guarantees: | | |
| Outstanding Bank Guarantees (Excluding Financial Guarantees) | 617 | 413 |
| (b) Other Money for which the Company is contingently liable: | | |
| 1 Stamp Duty dispute pending with Rajasthan High Court, Jodhpur under Rajasthan Stamp Duty Act, 1998. | 64 | 89 |
| 2 Various cases pending with Central Excise under Central Excise Act, 1944 & Service Tax cases under Finance Act, 1994 (Net of amount fully provided). | - | 452 |
| 3 Dispute of Fixed Charges recovery pending with APTEL, New Delhi under Electricity Act, 2003. | 42 | 42 |
| 4 Entry Tax dispute for the year 2014-15 & 2015-16 under The Rajasthan Tax on Entry of Goods into Local Area Act, 1999 regarding to interest /penalty. | - | 47 |
| 5 Disputed VAT Liabilities under The Rajasthan Value Added Tax Act, 2003 in respect of : | | |
| 5.1 Input Tax Credit | - | 7 |
| 6 Disputes on various tolls for which company is contingently liable. | 243 | 243 |
| (II) Commitments: | | |
| (a) Estimated amount of contracts (Net of advances) remaining to be executed on capital and not provided for. | 17,096 | 5433 |
| (b) In respect of Capital goods imported at the concessional rate of duty under the Export Promotion Capital goods scheme, the Company has approximate exports obligations which is required to be met at the different due dates before 31 st March, 2029. In the event of non-fulfilment of these export obligation, the Company will be liable to pay customs duties and penalties, as applicable. | 24,492 | 10208 |

53 DISCLOSURE OF RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24 "RELATED PARTY DISCLOSURES".**(A) Details of Related Parties****1 Key Managerial Personnel (KMP) Designation**

| | |
|----------------|---|
| Mr R.P.Soni | Chairman |
| Dr. S.N.Modani | Managing Director & Chief Executive officer |
| Mr V.K.Sodani | Executive Director |
| Mr Anurag Soni | Director & Chief Financial Officer |
| Mr A.K.Jain | Company Secretary |

2 Non Executive Director/ Independent Director

| |
|---|
| Mr Achintya Karati |
| Mr T.K.Mukhopadhyay |
| Ms Jyoti Sharma |
| Mr Yaduvendra Mathur |
| Mr Sudhir Maheshwari (w.e.f. 01 st August, 2022) |

3 Relatives of KMP (with whom transactions held during the year)

| |
|--------------------|
| Ms Radha Devi Soni |
| Ms Mamta Modani |
| Ms Archana Sodani |
| Ms Antima Bass |
| Mr Pranal Modani |
| Ms Palak Modani |
| Ms Krippie Soni |
| Ms Sakshi Modani |
| Ms Mihika Sodani |

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)

4 Enterprises over which KMP have significant influence

SMW Ispat Private Limited
(Formerly known as "Mahalaxmi TMT Private Limited")
Sangam E-com Limited
Raj Rajeshwar Enterprises Private Limited
Laddha Construction Company Private Limited
R.P. Soni HUF
M/s Badri Lal Soni Charitable Trust
M/s Kesar Bai Soni Charitable Trust
Sangam Business Credit Limited
Nikita Credit Private Limited (Merged with Sangam E-com Limited w.e.f. 31st December, 2022)
Fashion Funda.com Private Limited (Merged with Sangam E-com Limited w.e.f. 31st December, 2022)

(B) Disclosure of related party transactions:

| S. No. | Nature of transaction/relationship/major parties | (₹ in Lakhs) | |
|----------|---|---------------------|---------------------|
| | | 2022-2023 Amount | 2021-2022 Amount |
| 1 | Purchase of goods & services (including commission paid) | | |
| | (a) Purchase of Goods | | |
| | SMW Ispat Private Limited | - | 1,185 |
| 2 | Lease Liability Paid | | |
| | Mr Ram Pal Soni | 12 | 8 |
| | Mr Anurag Soni | 14 | 14 |
| | Ms Radha Devi Soni | 69 | 74 |
| | Ms Mamta Modani | 5 | 5 |
| | Ms Antima Bass | 12 | 14 |
| | Ms Krippie Soni | 25 | 24 |
| | R.P.Soni HUF | 12 | 12 |
| | Laddha Construction Company Private Limited | 40 | 39 |
| 3 | Insurance paid for KMP | | |
| | Dr.S.N.Modani | 14 | 12 |
| | Mr V.K.Sodani | 27 | 12 |
| | Mr Anurag Soni | 42 | 14 |
| 4 | Compensation paid to key management personnel: | | |
| | Remuneration | | |
| | (1) Short-term employment benefits / Salary | | |
| | (i) Key Managerial Personnel | | |
| | Mr R.P.Soni | 293 | 320 |
| | Dr.S.N.Modani | 164 | 159 |
| | Mr V.K.Sodani | 102 | 66 |
| | Mr Anurag Soni | 72 | 75 |
| | Mr A.K.Jain | 9 | 8 |
| | (ii) Relatives of Key Managerial Personnel | | |
| | Ms Mamta Modani | 48 | 48 |
| | Ms Archana Sodani | 24 | 24 |
| | Mr Pranal Modani | 47 | 43 |
| | Ms Palak Modani | 11 | 11 |
| | Ms Sakshi Modani | 104 | 8 |
| | Ms Mihika Sodani | 113 | 77 |

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)

(₹ in Lakhs)

| S. No. | Nature of transaction/relationship/major parties | 2022-2023 | 2021-2022 |
|--|--|-----------|-----------|
| | | Amount | Amount |
| (2) Director Sitting fees | | | |
| | Mr Achintya Karati | 7 | 5 |
| | Mr T.K.Mukhopadhyay | 9 | 5 |
| | Ms Jyoti Sharma | 4 | 3 |
| | Mr Yaduvendra Mathur | 5 | 4 |
| | Mr Sudhir Maheshwari | 1 | - |
| (3) Commission | | | |
| | Mr R.P.Soni | | 208 |
| | Dr. S.N.Modani | 193 | 208 |
| | Mr V.K.Sodani | 94 | 52 |
| | Mr Anurag Soni | 74 | 208 |
| | Mr Pranal Modani | 193 | - |
| (4) Value of sweat equity share considered as Exceptional items | | 16 | |
| | Mr V.K.Sodani | 1,345 | |
| | Mr Pranal Modani | 1,075 | |
| (5) Equity share capital (including premium) | | | |
| | Sweat equity shares | | |
| | Mr V.K.Sodani | 2,107 | - |
| | Mr Pranal Modani | 1,686 | - |
| 5 Expenditure Incurred in CSR | | | |
| | (i) M/S Badri Lal Soni Charitable Trust | 60 | 29 |
| | (ii) M/S Kesar Bai Soni Charitable Trust | 11 | 11 |

(C) Amount due to / from related parties:

(₹ in Lakhs)

| S. No. | Nature of transaction/relationship/major parties | 2022-2023 | 2021-2022 |
|-------------------------|---|-----------|-----------|
| | | Amount | Amount |
| 1 Other Payables | | | |
| | SMW Ispat Private Limited | - | 49 |
| | Lease Liabilities | | |
| | Mr Ram Pal Soni | 2 | - |
| | Mr Anurag Soni | 1 | - |
| | Ms Radha Devi Soni | 7 | - |
| | Ms Mamta Modani | 0 | - |
| | Ms Antima Bass | 1 | - |
| | Ms Krippie Soni | 3 | - |
| | R.P.Soni HUF | 1 | - |
| | Laddha Construction Company Private Limited | 5 | - |
| | Consultancy Fees (Relative of KMP) | | |
| | Ms Mamta Modani | 4 | - |
| | Ms Archana Sodani | 2 | - |
| | Director's Sitting Fees | | |
| | Mr Sudhir Maheshwari (w.e.f. 01 st August, 2022) | 1 | - |

Notes to Consolidated Financial Statements for the year ended 31st March, 2023 (Contd.)

54 EMPLOYEE BENEFITS

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefit.

(₹ in Lakhs)

| | For the year ended | |
|---|------------------------------|------------------------------|
| | 31 st March, 2023 | 31 st March, 2022 |
| Contribution to government Provident Fund | 1,168 | 982 |

(ii) Defined Benefit Plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liability is being contributed to the gratuity fund formed by the Company. Company makes contributions to Group Gratuity Schemes administered by the LIC of India.

Other long term employee benefit plans

Compensated absences

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31st March, 2023. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

(₹ in Lakhs)

| | Gratuity (Funded) | | Leave encashment | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| | 31 st March, 2023 | 31 st March, 2022 | 31 st March, 2023 | 31 st March, 2022 |
| Net defined benefit (liability) / asset | 2,139 | 1,796 | 192 | 103 |
| Non-current | - | - | - | - |
| Current | 2,139 | 1,796 | 192 | 103 |

**Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)**
B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

| Particulars | Gratuity (Funded) | | | | | Leave Encashment (Funded) | | | | | | |
|--|------------------------------|---------------------------|--|----------------------------|------------------------------|--|------------------------------|---------------------------|--|----------------------------|---------------------------|--|
| | 31 st March, 2023 | | 31 st March, 2022 | | 31 st March, 2023 | | 31 st March, 2022 | | 31 st March, 2022 | | | |
| | Defined benefit obligation | Fair value of plan assets | Net defined benefit (asset)/ liability | Defined benefit obligation | Fair value of plan assets | Net defined benefit (asset)/ liability | Defined benefit obligation | Fair value of plan assets | Net defined benefit (asset)/ liability | Defined benefit obligation | Fair value of plan assets | Net defined benefit (asset)/ liability |
| Balance as at 01 st April, 2022 | 2,283 | 487 | 1,796 | 2,094 | 520 | 1,574 | 444 | 341 | 103 | 442 | 320 | 122 |
| Included in profit or loss | | | | | | | | | | | | |
| Current service cost | 488 | - | 488 | 450 | - | 450 | 218 | - | 218 | 197 | - | 197 |
| Interest cost (income) | 154 | - | 154 | 135 | - | 135 | 31 | - | 31 | 30 | - | 30 |
| | 642 | - | 642 | 585 | - | 585 | 249 | - | 249 | 227 | - | 227 |
| Included in OCI | | | | | | | | | | | | |
| Remeasurements loss (gain) | - | - | - | - | - | - | - | - | - | - | - | - |
| - Actuarial loss (gain) arising from: | | | | | | | | | | | | |
| - demographic assumptions | - | - | - | - | - | - | - | - | - | - | - | - |
| - financial assumptions | (48) | - | (48) | (74) | - | (74) | (11) | - | (11) | (15) | - | (15) |
| - experience adjustment | (64) | - | (64) | (93) | - | (93) | (126) | - | (126) | (210) | - | (210) |
| - on plan assets | (5) | (5) | 5 | | (2) | 2 | | (1) | 1 | | (1) | 1 |
| | (112) | (5) | (107) | (167) | (2) | (165) | (137) | (1) | (136) | (225) | (1) | (224) |
| Other | | | | | | | | | | | | |
| Contributions paid by the employer | - | 159 | (159) | - | 165 | (165) | - | - | - | - | - | - |
| Benefits paid | (200) | (200) | - | (229) | (229) | - | - | - | - | - | - | - |
| Expected Return on Plan Assets | - | 33 | (33) | - | 33 | (33) | - | 24 | (24) | - | 22 | (22) |
| | (200) | (8) | (192) | (229) | (31) | (198) | - | 24 | (24) | - | 22 | (22) |
| Balance as at 31st March, 2023 | 2,613 | 474 | 2,139 | 2,283 | 487 | 1,796 | 556 | 364 | 192 | 444 | 341 | 103 |

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)

C. Plan assets

| | (₹ in Lakhs) | |
|-------------------------|------------------------------|------------------------------|
| | 31 st March, 2023 | 31 st March, 2022 |
| Fund managed by insurer | 100% | 100% |
| | 100% | 100% |

D. Actuarial assumptions

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

| | (₹ in Lakhs) | |
|---|-------------------------------|------------------------------|
| | 31 st March, 2023 | 31 st March, 2022 |
| Discount rate | 7.29% | 7.10% |
| Expected rate of future salary increase | 5.50% | 5.50% |
| Mortality | 100% of IALM (2012 - 14) Ult. | |

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

E. Sensitivity analysis

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

| | Gratuity | | | | Leave encashment | | | |
|---|------------------------------|----------|------------------------------|----------|------------------------------|----------|------------------------------|----------|
| | 31 st March, 2023 | | 31 st March, 2022 | | 31 st March, 2023 | | 31 st March, 2022 | |
| | Increase | Decrease | Increase | Decrease | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | 2,384 | 2,888 | 2,056 | 2,517 | 504 | 619 | 395 | 489 |
| Expected rate of future salary increase (1% movement) | 2,887 | 2,381 | 2,516 | 2,054 | 619 | 504 | 489 | 395 |

Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

F. Description of Risk Exposures:

Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

- A) Salary Increases-** Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B) Investment Risk –** If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C) Discount Rate:** Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Mortality & disability –** Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals –** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.



Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)

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

| Particulars | (₹ in Lakhs) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2023 | As at 31 st March, 2022 |
| Duration of defined benefit payments | | |
| Less than 1 year | 418 | 351 |
| Between 1-2 years | 118 | 79 |
| Between 2-5 years | 467 | 373 |
| Over 5 years | 925 | 785 |
| Total | 1,928 | 1,588 |

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 18.14 years (31st March, 2022 : 18.46 years)

55 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

I. Fair value measurements Hierarchy

| Particulars | As at 31 st March, 2023 | | | | As at 31 st March, 2022 | | | |
|--|------------------------------------|------------|-----------|----------|------------------------------------|----------|-----------|----------|
| | Carrying Amount | Level 1 | Level 2 | Level 3 | Carrying Amount | Level 1 | Level 2 | Level 3 |
| Financial Assets | | | | | | | | |
| At Amortized Cost | | | | | | | | |
| Non current - Investments | 75 | - | - | - | 79 | - | - | - |
| Other Non-Current Financial Assets | 3,099 | - | - | - | 2,649 | - | - | - |
| Current-Assets | | | | | | | | |
| Trade Receivables | 35,282 | - | - | - | 37,643 | - | - | - |
| Cash and Cash Equivalents | 20 | - | - | - | 113 | - | - | - |
| Bank Balances other than above | 2,777 | - | - | - | 2,117 | - | - | - |
| Other Current Financial Assets | 5,608 | - | - | - | 6,058 | - | - | - |
| Total (A) | 46,861 | - | - | - | 48,659 | - | - | - |
| Investment in Mutual fund measured at fair value through profit and loss | 686 | 686 | | | - | | | |
| Total (B) | 686 | 686 | - | - | - | - | - | - |
| Total (A+B) | 47,547 | 686 | - | - | 48,659 | - | - | - |
| Financial Liabilities | | | | | | | | |
| At Amortized Cost | | | | | | | | |
| Borrowings - Non Current | 33,953 | - | - | - | 18,055 | - | - | - |
| Lease Liabilities - Non Current | 95 | | | | 219 | | | |
| Other Financial Liabilities -Non Current | 1,011 | | | | - | | | |
| Lease Liabilities - Current | 165 | | | | 143 | | | |
| Borrowings - Currents | 48,420 | - | - | - | 42,614 | - | - | - |
| Trade Payables | 22,687 | - | - | - | 28,743 | - | - | - |
| Other Current Financial Liabilities | 13,715 | - | - | - | 13,158 | - | - | - |
| At Fair Value through P&L | | | | | | | | |
| Other Current Financial Liabilities | (14) | - | (14) | - | 19 | - | 19 | - |
| At Fair Value through OCI | | | | | | | | |
| Other Current Financial Liabilities | 24 | - | 24 | - | 13 | - | 13 | - |
| | 1,20,056 | 686 | 10 | - | 1,02,965 | - | 32 | - |

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

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

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2023 (Contd.)

II. Financial risk management

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

- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

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

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

The Company's Audit Committee oversees compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

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

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

Trade and other receivables

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

The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank references.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables

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

The gross carrying amount of trade receivables is ₹ 35604 Lakhs (31st March, 2022 – ₹ 37926 Lakhs).

A default on a financial asset is when counterparty fails to make payments within 60 days when it falls due.

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)**Reconciliation of Loss Allowance Provision – Trade Receivables**

(₹ in Lakhs)

| Particulars | 31 st March, 2023 | 31 st March, 2022 |
|----------------------------|------------------------------|------------------------------|
| Opening Balances | 283 | 283 |
| Impairment Loss Recognized | 274 | 2,180 |
| Amount written back | 235 | 2,180 |
| Closing balance | 322 | 283 |

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the cash flows generated from operations to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position comprising the undrawn borrowing facilities and cash and cash equivalents on the basis of expected cash flows. This is generally carried out in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(a) (a) Maturities of financial liabilities

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

(₹ in Lakhs)

| Particulars | Carrying Amounts | | Contractual cash flows | | |
|---|------------------------------|-----------------|------------------------|---------------|-------------------|
| | 31 st March, 2023 | Total | Within 1 Year | 1–5 years | More than 5 years |
| Non-derivative financial liabilities | | | | | |
| Borrowings - Non Current | 33,953 | 33,953 | - | 33,670 | 283 |
| Lease Liabilities - Non Current | 95 | 95 | - | 95 | - |
| Other Financial Liabilities -Non Current | 1,011 | 1,011 | - | 506 | 505 |
| Lease Liabilities - Current | 165 | 165 | 165 | - | - |
| Borrowings - Currents | 48,420 | 48,420 | 48,420 | - | - |
| Trade Payables | 22,687 | 22,687 | 22,499 | 188 | - |
| Other Current Financial Liabilities | 13,725 | 13,725 | 13,725 | - | - |
| Total non-derivative liabilities | 1,20,056 | 1,20,056 | 84,809 | 34,459 | 788 |
| Derivatives (net settled) | | | | | |
| Foreign exchange forward contracts | 10 | 10 | 10 | - | - |
| Total derivative liabilities | 10 | 10 | 10 | - | - |

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)

(₹ in Lakhs)

| Particulars | Carrying Amounts | | Contractual cash flows | | |
|---|------------------------------|-----------------|------------------------|---------------|-------------------|
| | 31 st March, 2022 | Total | Within 1 Year | 1–5 years | More than 5 years |
| Non-derivative financial liabilities | | | | | |
| Borrowings - Non Current | 18,055 | 18,055 | - | 15,465 | 2,590 |
| Lease Liabilities - Non Current | 219 | 219 | | 219 | |
| Lease Liabilities - Current | 143 | 143 | 143 | | |
| Borrowings - Currents | 42,614 | 42,614 | 42,614 | - | - |
| Trade payables | 28,743 | 28,743 | 28,151 | 592 | - |
| Other current financial liabilities | 13,190 | 13,190 | 13,190 | - | - |
| Total non-derivative liabilities | 1,02,964 | 1,02,964 | 84,098 | 16,276 | 2,590 |
| Derivatives (net settled) | | | | | |
| Foreign exchange forward contracts | 32 | 32 | 32 | - | - |
| Total derivative liabilities | 32 | 32 | 32 | - | - |

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company uses derivatives like forward contracts to manage market risks on account of foreign exchange. All such transactions are carried out within the guidelines set by the Risk Management Committee.

Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EURO. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Company's functional currency. The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimize the volatility of the cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis.

Currency risks related to the principal amounts of the Company's foreign currency payables have not been hedged using forward contracts.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows (Amounts in Lakhs)

(₹ in Lakhs)

| Particulars | As at 31 st March, 2023 | | As at 31 st March, 2022 | |
|--|------------------------------------|-------------|------------------------------------|-------------|
| | USD | EUR | USD | EUR |
| Financial Instruments | | | | |
| Trade receivables | 202 | 0.27 | 225 | (3) |
| Trade payables | (3) | (10) | (2) | (2) |
| Borrowings | (95) | (20) | (266) | (30) |
| Derivatives - Forward Contracts | (118) | - | (250) | - |
| Net statement of financial position exposure | (14) | (30) | (293) | (36) |

**Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)**
Sensitivity analysis

A reasonably possible strengthening (weakening) of the ₹ against all currencies at 31st March, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

| Particulars | Profit or loss | |
|------------------------------------|----------------|-----------|
| | Strengthening | Weakening |
| 31st March, 2023 | | |
| USD (1% movement) | (11) | 11 |
| EUR (1% movement) | (27) | 27 |
| 31st March, 2022 | | |
| USD (1% movement) | (222) | 222 |
| EUR (1% movement) | (30) | 30 |

Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

| | Nominal Amount | |
|---------------------------|------------------------------|------------------------------|
| | 31 st March, 2023 | 31 st March, 2022 |
| Fixed-rate instruments | | |
| Financial assets | - | - |
| Financial liabilities | 847 | 606 |
| | 847 | 606 |
| Variable-rate instruments | | |
| Financial assets | - | - |
| Financial liabilities | 36,512 | 23,628 |
| | 36,512 | 23,628 |

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

| Particulars | Profit or loss | |
|------------------------------------|-----------------|-----------------|
| | 100 bp increase | 100 bp decrease |
| 31st March, 2023 | | |
| Variable-rate instruments | (365) | 365 |
| Cash flow sensitivity | (365) | 365 |
| 31st March, 2022 | | |
| Variable-rate instruments | (236) | 236 |
| Cash flow sensitivity | (236) | 236 |

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Hedge Accounting

The Company's business objective includes safe-guarding its earnings against foreign exchange fluctuations. The Company has adopted a structured risk management policy to hedge all these risks within an acceptable risk limit and an approved hedge accounting framework which allows for Fair Value hedges and Cash Flow hedges. Hedging instruments include forwards contracts to achieve this objective. The table below shows the position of hedging instruments and hedged items as on the balance sheet date.

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)**Disclosure of effect of Hedge Accounting:****(i) Fair Value Hedge****Hedging Instruments**

| (₹ in Lakhs) | | | | | |
|-------------------|---------------|-----------------|----------------------|-----------------------------|-------------------------------------|
| Particulars | Nominal Value | Carrying Amount | Change in Fair Value | Hedge Maturity | Line Item in Balance Sheet |
| Forward Contracts | 17,164 | (14) | (14) | May, 2023 to December, 2024 | Other Current Financial Liabilities |

Hedged Items

| (₹ in Lakhs) | | | |
|-----------------------|-----------------|----------------------|--------------------------------------|
| Particulars | Carrying Amount | Change in Fair Value | Line Item in Balance Sheet |
| Foreign Currency Risk | 16,623 | 89 | Financial Assets - Trade Receivables |
| Trade Receivables | | | |

(ii) Cash Flow Hedge

During the year ended 31st March, 2023, the Company has designated certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedge reserve as at 31st March, 2023 are expected to occur and reclassified to Statement of Profit and Loss within three months.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of its forecasted cash flows. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in the Statement of Profit and Loss at the time of the hedge relationship rebalancing.

Cash Flow Hedge**Hedging Instruments**

| (₹ in Lakhs) | | | | | |
|------------------------------|---------------|-----------------|----------------------|-----------------------------------|-------------------------------------|
| Particulars | Nominal Value | Carrying Amount | Change in Fair Value | Hedge Maturity | Line Item in Balance Sheet |
| Foreign Currency Risk | | | | | |
| Forward Contracts | 9,716 | 24 | 24 | September, 2023 to February, 2024 | Other Current Financial Liabilities |

HEDGED ITEMS

| (₹ in Lakhs) | | | |
|------------------------------------|-----------------|----------------------|----------------------------|
| Particulars | Carrying Amount | Change in Fair Value | Line Item in Balance Sheet |
| Foreign Currency Risk | | | |
| Highly Probable Forecasted Exports | 9,716 | - | - |

The reconciliation of cash flow hedge reserve for the years ended 31st March, 2023 and 31st March, 2022 is as follows ::

| Particulars | Year Ended 31.03.23 | Year Ended 31.03.22 |
|--|---------------------|---------------------|
| Gain / (Loss) | | |
| Balance at the beginning of the year | 13 | 38 |
| Gain / (Loss) recognized in other comprehensive income during the year | 11 | (25) |
| Amount reclassified to profit and loss during the year | - | - |
| Balance at the end of the year | 24 | 13 |

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)

56 RATIO ANALYSIS

| S. No | Ratio | | Basis | 2022- 23 | 2021- 22 | % Change | Reason For Variance |
|-------|----------------------------------|-------|---|----------|----------|----------|-----------------------|
| 1 | Current ratio | Times | Current assets / Current liabilities | 1.20 | 1.20 | (1)% | |
| 2 | Debt-Equity ratio | Times | Total Debt / Equity | 0.93 | 0.85 | 10% | |
| 3 | Debt service coverage ratio | Times | Earnings for debt service*/ Debt Service | 3.01 | 2.78 | 8% | |
| 4 | Return on equity ratio | % | Profit after tax / Shareholders' Equity | 10.52% | 22.18% | (53)% | Refer note i) below |
| 5 | Inventory turnover ratio | Times | Cost of Goods Sold** / Average inventory | 3.86 | 3.81 | 1% | |
| 6 | Trade receivables turnover ratio | Times | Revenue from operations / Average trade receivable | 7.44 | 7.43 | 0% | |
| 7 | Trade payables turnover ratio | Times | Cost of Goods Sold** / Average trade payables | 7.81 | 5.06 | 54% | Refer note ii) below |
| 8 | Net capital turnover ratio | Times | Revenue from operations / Working capital\$ | 15.55 | 13.59 | 14% | |
| 9 | Net profit ratio | % | Net Profit/(Loss) after tax / Revenue from operations | 4.81% | 5.77% | (17)% | |
| 10 | Return on capital employed | % | "Earnings Before Interest and tax# / Capital Employed@" | 12.26% | 17.04% | (28)% | Refer note iii) below |
| 11 | Return on investment | % | PAT/Total Assets | 6.04% | 7.71% | (22)% | |

** Cost of Good sold = Cost of materials consumed +Purchases of stock-in-trade + Changes in inventories

+ Manufacturing and operating expenses

* Earnings for Debt Service = Earnings before finance costs, depreciation and amortization, exceptional items and tax (EBIDTA)/

(Finance cost for the year + Principal repayment of long-term debt liabilities within one year+current lease liab.)

\$ Working Capital = Current Assets - Current Liabilities

Earnings before Interest and Tax = Profit after exceptional item and before tax + Finance costs (recognized)

** Cost of Good sold = Cost of materials consumed +Purchases of stock-in-trade + Changes in inventories

+ Manufacturing and operating expenses

* Earnings for Debt Service = Earnings before finance costs, depreciation and amortization, exceptional items and tax (EBIDTA)/ (Finance cost for the year + Principal repayment of long-term debt liabilities within one year+current lease liab.)

\$ Working Capital = Current Assets - Current Liabilities

Earnings before Interest and Tax = Profit after exceptional item and before tax + Finance costs (recognized)

@Capital Employed = Average of equity and total borrowings

i) **Return on Equity (%):** Return on equity has been decreased mainly because of Increase in total equity due to issue of Sweat Equity Shares and conversion of share warrants on premium. (Refer Note No 20 & 21)

ii) **Trade Payables Turnover (times):** Improvement in creditors turnover ratio is mainly due to increase in purchases (on account of increased demand and sales) & reduction in average payment period in current year as compared to previous year.

iii) **Return on Capital employed (%):** Return on Capital employed has been decreased mainly because of decrease in profit & Increase in total equity due to issue of Sweat Equity Shares and conversion of share warrants on premium.

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)

57 DISCLOSURE UNDER IND AS 116 "LEASES"

The Company has lease contract for building used in its operations. Lease of Building have lease terms 3 years.

Amount recognized in Statement of profit or loss

| Particulars | (₹ in Lakhs) | |
|--|--|--|
| | Year ended 31 st March, 2023 | Year ended 31 st March, 2022 |
| Depreciation of right-of-use assets | 150 | 100 |
| Interest Income on Security Deposit | 19 | 51 |
| Interest Expenses on lease liabilities | 22 | 19 |

Maturity Pattern of lease liability

Finance Lease discounted

| Particulars | (₹ in Lakhs) | |
|-------------------|--|--|
| | Year ended 31 st March, 2023 | Year ended 31 st March, 2022 |
| Less than 1 years | 165 | 143 |
| 1-3 years | 95 | 219 |
| Total | 260 | 362 |

Movement of Lease Liability

| Particulars | (₹ in Lakhs) | |
|--|--|--|
| | Year ended 31 st March, 2023 | Year ended 31 st March, 2022 |
| As at 01st April, 2022 | 362 | - |
| Additions | 41 | 449 |
| Accretion of Interest | 22 | 19 |
| Payment | 165 | 106 |
| As at 31st March, 2023 | 260 | 362 |
| Current Lease Liability | 165 | 143 |
| Non Current Lease Liability | 95 | 219 |

Movement of Security Deposit

| Particulars | (₹ in Lakhs) | |
|--|--|--|
| | Year ended 31 st March, 2023 | Year ended 31 st March, 2022 |
| As at 01st April, 2022 | 1,751 | - |
| Additions | - | 1,700 |
| Accretion of Interest | 22 | 51 |
| Payment | - | - |
| As at 31st March, 2023 | 1,773 | 1,751 |
| Deferred Rent | 106 | 186 |

58 ADDITIONAL REGULATORY REQUIREMENTS AS REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013

- i) Title deeds of all immovable properties are held on the name of the Company.
- ii) The Company has not revalued any Property, Plant and Equipments and Intangible Assets during the year.
- iii) The Company has not given loan or advances in nature of loans to promoters, directors, KMPs and the related parties which is repayable on demands or without specifying any terms or period of repayment.
- iv) There is no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- v) The Company is not declared a willful defaulter by any bank or financial Institution or other lender.
- vi) As informed by the Management, there are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 by the Company during the year and there are no outstanding balance as on 31st March, 2023 with any struck off companies



**Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)**

- vii) There are no charges or satisfactions of charges which are yet to be registered with Registrar of Companies beyond the statutory period.
- viii) There is no investment made by the Company in other companies. Hence, there is no compliance required on the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- ix) The Company has complied with the Scheme of Arrangements approved by the competent authority in terms of section 230 to 237 of the Companies Act, 2013 during the year and accordingly has disclosed the effect of such arrangement in accordance with the Scheme and in accordance with the accounting standards as applicable.
- X) The Company has not advanced or loaned or invested funds to any other person or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- xi) The Company has not received any fund from any person or entities, including foreign entities (Funding Party) with the understanding that the Company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- xii) The Company has not surrendered or disclosed as income or the previously unrecorded income and related assets during the year in the tax assessments which are not recorded in the books of accounts of the Company
- xiii) Working Capital loan were applied for the purpose for which the loans were obtained
- xiv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year
- xv) The Company has taken working capital loans from various Banks .Company has filed quarterly statements of Current Assets with the banks that are in principle in agreement with the books of accounts.

59 SEGMENT INFORMATION

Operating Segment

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

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

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

(b) Revenues

| | 2022-23 | 2021-22 |
|--------------|-----------------|-----------------|
| Domestic | 1,95,551 | 1,51,641 |
| Export | 75,679 | 92,135 |
| TOTAL | 2,71,230 | 2,43,776 |

(₹ in Lakhs)

Revenues from external customers attributed to an individual foreign country are not material. The revenue from the foreign countries are attributed from the countries wherein the actual exports are made.

There are no assets in foreign countries held by the Company except the amounts due from the exports.

(C) The Company does not have any major single customers / group of external customers having 10% of its revenue.

Notes to Consolidated Financial Statements for the year ended 31st March, 2023 (Contd.)

60 CORPORATE SOCIAL RESPONSIBILITY

- a) Total expenditure incurred on Corporate Social Responsibility (CSR) activities during the year ended 31st March, 2023 is ₹ 278 Lakhs (during the year ended 31st March, 2022 is ₹ 89.49 Lakhs). This includes ₹ Nil Lakhs towards provision for up spent amount pertaining to ongoing projects (during the 31st March, 2022 is ₹ Nil Lakhs).

| Particulars | For the year ended | |
|---|------------------------------|------------------------------|
| | 31 st March, 2023 | 31 st March, 2022 |
| a) Amount required to be spent by the Company during the year | 147 | 33 |
| b) Amount of expenditure incurred on purpose other than construction/ acquisition of any asset | 278 | 89 |
| c) Excess spend of prior year set off during the year | 56 | 0 |
| d) Shortfall at the end of the year [(d)=(a)-(b)-(c)] | 0 | 0 |
| e) Total of previous year shortfall | 0 | 0 |
| f) Reason for shortfall | NA | NA |
| The CSR amount carry forward in next year. | 187 | 56 |

Expenditure related to Corporate Social Responsibility;

| Particulars | For the year ended | |
|---|------------------------------|------------------------------|
| | 31 st March, 2023 | 31 st March, 2022 |
| Environmental Sustainability | 38 | 10 |
| Promoting Education | 34 | 22 |
| Promoting Health Care | 0 | 37 |
| Rural Development | 74 | 5 |
| Promoting gender equality, empowering women | 120 | 3 |
| Promoting Sports | 0 | 1 |
| Sanitation and making available safe drinking water | 1 | 0 |
| Eradication Hunger, Poverty and Malnutrition | 11 | 11 |
| Total | 278 | 89 |

- b) Out of above ₹ 60.85 Lakhs (Previous Year ₹ 28.50 Lakhs) has been spent through M/s Badri Lal Soni Charitable Trust and ₹ 10.54 Lakhs (Previous year ₹ 10.54 Lakhs) spent through M/s Kesar Bai Soni Charitable Trust, which are related parties.

61 CONTRIBUTIONS TO POLITICAL PARTIES

Disclosure under the section 182(3)

| Particulars | For the year ended | |
|-----------------------------------|------------------------------|------------------------------|
| | 31 st March, 2023 | 31 st March, 2022 |
| Contribution to political parties | - | - |

62 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

63 APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved for issue by the Board of Directors on 28th April, 2023

The Board of Directors have recommended a dividend @20 % on equity share, subject to approval from the shareholders at the ensuing AGM.

- 64 Previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/disclosure.

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023 (Contd.)**65 GENERAL INFORMATION:**

1. The Consolidated Financial Statements present the Consolidated Accounts of Sangam (India) Limited with its Subsidiary Company: (₹ in Lakhs)

| | Country of Incorporation | Proportion of Ownership of Interest | |
|-------------------------|--------------------------|-------------------------------------|------------------------------------|
| | | As at 31 st March, 2023 | As at 31 st March, 2022 |
| Sangam Ventures Limited | India | 100% | 100% |

2. Disclosures mandated by Schedule III of the Companies Act 2013, by way of additional information: (₹ in Lakhs)

| Name of the Entities | Net Assets i.e. Total Assets minus Total Liabilities | | Share in Profit / (Loss) | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|--|---------------------|-------------------------------|---------------------|---|---------------------|---|---------------------|
| | As a % of Consolidated Net Assets | Amount (₹ in Lakhs) | As a % of Consolidated Profit | Amount (₹ in Lakhs) | As a % of Consolidated Other Comprehensive Income | Amount (₹ in Lakhs) | As a % of Consolidated Total Comprehensive Income | Amount (₹ in Lakhs) |
| Parent : Sangam India Limited | 100.48% | 88740 | 103.06% | 13454 | 100% | 88 | 103.04% | 13542 |
| Subsidiary : Sangam Lifestyle Ventures Limited | 5.17% | 4564 | (2.61)% | (341) | 0.00% | - | (2.59)% | (341) |
| Sub Total | 105.65% | 93304 | 100.45% | 13113 | | 88 | | 13201 |
| Inter - Company Elimination & Consolidation Adjustments | (5.65)% | (4991) | (0.45)% | (59) | 0.00% | - | (0.45)% | (59) |
| Grand Total | 100% | 88313 | 100% | 13054 | 100% | 88 | 100% | 13142 |

3. Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understand the consolidated position of the Companies. Recognizing this purpose, the Company has disclosed only such Policies and Notes from the individual financial statements, which fairly present the needed disclosures.

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY AS PER COMPANIES ACT, 2013

(₹ in Lakhs)

| Sr. No. | Particulars | |
|---------|---|---------------------------------|
| | Name of Subsidiary Company | Sangam Ventures Limited |
| 1 | The date since which Subsidiary was incorporated and acquired | 03 rd December, 2021 |
| 2 | Reporting Currency | ₹ |
| 3 | Equity Share Capital | 1197 |
| 4 | Other Equity | 3367 |
| 5 | Total Assets | 9800 |
| 6 | Total Liabilities | 5236 |
| 7 | Investments | - |
| 8 | Revenue from Operations / Total Income | 95 |
| 9 | Profit Before Taxation | (125) |
| 10 | Provision for Taxation/def.tax | 216 |
| 11 | Profit After Taxation | (341) |
| 12 | Other Comprehensive Income | - |
| 13 | Total Comprehensive Income | (341) |
| 14 | % of Shareholding | 100% |

As per our Report of even date

For R Kabra & Co LLP
Chartered Accountants
(Firm Registration No 104502W/
W100721)

(Deepa Rathi)
Partner
Membership No.104808
UDIN: 23104808BGT SXK1416

Place: Bhilwara
Date: 28th April, 2023

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

(O. P. Dad)
Partner
Membership No. 035373
UDIN: 23035373BGXMMZ5522

Place: Bhilwara
Date: 28th April, 2023

For and on the Behalf of the Board

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

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

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

(Anurag Soni)
Director & CFO
(DIN 03407094)

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

CORPORATE INFORMATION

AUDITORS

R. Kabra & Co. LLP Mumbai
O.P. Dad & Co. Bhilwara

BANKERS

State Bank of India
Punjab National Bank
IDBI Bank Ltd.
Central Bank of India
Export-Import Bank of India
Canara Bank

REGISTERED OFFICE

ATUN, Chittorgarh Road,
Bhilwara - 311001, Rajasthan, INDIA.
Tel No.: +91-1482-245400-406
Fax No.: +91-1482-245450
e-mail: secretarial@sangamgroup.com

PRINCIPAL & HEAD OFFICE

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

PLANT LOCATIONS

Spinning Unit-I

Village Biliya Kalan, Chittorgarh Road,
Bhilwara – 311001, Rajasthan

Spinning Unit-II

91, Km Stone, N.H No. 79, Village Sareri,
Bhilwara – 311024, Rajasthan

Spinning Unit-III

N.H. 79, Village Soniyana,
Tehsil: Gangrar – 312901, Chittorgarh

Weaving, Processing & Seamless Garment Unit

Village ATUN, Chittorgarh Road,
Bhilwara – 311001, Rajasthan

Denim Unit

Village Biliya Kalan, Chittorgarh Road,
Bhilwara – 311001, Rajasthan



Value through values

www.sangamgroup.com

If undelivered, please return to:

Sangam (India) Limited

Post Box No. 90, Atun, Chittorgarh Road
Bhilwara - 311001, Rajasthan, India